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20 July 1984

WEST EUROPE REPORT

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FERNANDO CLAUDIN FAVORABLE TOWARD NATO MEMBERSHIP

Madrid DIARIO 16 in Spanish 20 Jun 84 p 6

/Interview with Fernando Claudin, director of the Pablo Iglesias Foundation, by Berta Fernandez; date not specified/

/Text/ Fernando Claudin, the former communist leader and director of the Pablo Iglesias Foundation, has stated in an article that "Perhaps if Spain remains in NATO, we can work more effectively for negotiations, disarmament, deterrence, and a reduction in nuclear weapons." He also emphasized the "Soviet threat" against Europe.

Madrid--Fernando Claudin, director of the Pablo Iglesias Foundation and a former communist leader, recently published an article in which he makes a case in favor of Spain's remaining in NATO. This is an article which immediately led to sharp debate.

/Question/ Were you expecting this reaction?

/Answer/ I expected that it would stimulate debate, and this was one of the intentions of the article, because this is a matter which is not presently being discussed very much. Very few explanations are being presented by the government and, for the most part, these concern questions of procedure (the steps to be taken, the possibility of a referendum). In my view the position of certain sectors of the Left is very simplistic and amounts to mouthing slogans.

/Question/ Do you think that the government intends to take Spain out of NATO?

/Answer/ I am not informed of what the government has decided to do in secret. As a citizen my impression is that the government probably thinks that in our position it would be difficult to leave NATO and that, under the present circumstances, the most positive thing to do is to remain in this political alliance. That is, continue with the present situation.

/Question/ But do you think that the Spanish people will understand a decision to remain in NATO after the propaganda that has circulated against such a step? How could the government forget that well-attended demonstration at the university campus in Madrid on 15 November 1981, at which Prime Minister Felipe Gonzalez was also in attendance?

/Answer/ We Spaniards should not forget anything--neither the prime minister nor ordinary citizens. However, we should reflect on the problems facing us and, if necessary, as a result of this process of reconsideration, change our views, for the right path for the wise to choose is to correct what we have done. At this demonstration in Madrid, as in the case of others held in Madrid, in Barcelona, and so forth, two things were mixed up. One of these, with which I am totally in agreement, was the expression of a desire for peace, a desire to achieve disarmament, against nuclear missiles, etc. The other thing is the question of NATO as such, which in the view of the people today is identified with the first consideration.

/Question/ Are we Spaniards sufficiently well-informed on the matter?

/Answer/ I believe that the departure of Spain from NATO would be a negative factor from the point of view of European union and of the alliance of Europe and the United States in presenting a united front in relation to negotiations with the Warsaw Pact. I begin with the view that there is a potential Soviet threat.

This is true because of the very nature of the Soviet system, because the Soviet Union is the only country since World War II which has conducted a series of military operations in Europe. These operations have been directed against the independence of a series of European peoples and against the attempts made to democratize these countries. This is a reality which cannot be forgotten. If Europe needs a defense policy, this requires that Europe be united.

/Question/ Do you consider that in that process of disinformation the ambiguity displayed by Prime Minister Felipe Gonzalez plays an important role?

/Answer/ The conclusion which I draw from his statements is that he is moving in the direction of finding the broadest possible national consensus. At the same time, it is possible that he has to keep in mind a series of international factors, such as the EEC, for example. Whether we like it or not, this is involved in the NATO question.

5170
CSO: 3548/279

KGB THREATS, BREAK-INS HARASS DISSIDENTS IN EUROPE

Paris LIBERATION in French 26 Jun 84 p 40

[Article by Stephan Ivanov]

[Text] With intimidation and threats concerning Russian and Polish emigration, the KGB's war on dissidents knows no frontiers.

In Paris, a number of contributors to the dissident weekly LA PENSEE RUSSE have been subjected to various types of pressure. One journalist found that her apartment had been visited twice in her absence. "Nothing was stolen, and it was all done so that I would be sure to know someone had been there," she said. Garments were purposely moved. Until that time, the "visits" of this sort were more prosaically designed to obtain documents.*

A number of Polish emigrants have also been visited by "nonthieving gentlemen." All of them have one thing in common. They all engage in obtaining Polish books and periodicals from Poland via clandestine routes, and also publications in Russian for the Soviet soldiers quartered locally.

Two other contributors to LA PENSEE RUSSE, who meet with numerous Soviet citizens passing through Paris, have for their part observed on a number of occasions that they were being followed by pairs of "nail-finished footwear made in the USSR." And to boot, they report telephone calls in the middle of the night. The same kind of telephone threats have plagued Fatima Salkazanova, a Radio Liberty journalist, after her report on the Soviet soldiers taken prisoner in Afghanistan or deserting to join the ranks of the resistance was published in LE MONDE. "None of this is serious, the purpose is to frighten. This is a part of the psychological war," she believes.

Radio Ado in Paris has broadcast some excerpts from tapes made by Fatima Salkazanova of statements by these Soviet deserters and prisoners. These

* A short time previously, a DST [Directorate of Territorial Surveillance] inspector had generously warned that she was vulnerable to this sort of harassment, and he advised her to keep her friends informed of all her appointments and travels.

recordings seem to have been of passionate interest to certain listeners. That same evening, the premises of the radio station were "robbed" by unknown persons, who showed no interest in the valuable technical equipment there, confining themselves solely to looking for the tapes.

Finally, in Munich, Kronid Lyubarski, the official in charge of the bulletin USSR HUMAN RIGHTS/NEWSBRIEF, has been receiving death threats by telephone since the beginning of the month. Having maintained clandestine relations with the USSR, Lyubarski reports in his bulletin the current arrests, investigations and trials, life in the camps and everything pertaining to the dissident movement in the Soviet Union. The threats by his anonymous interlocutor, which were voiced in Russian, were taken seriously by the West German police. The recipient has been the focus of close surveillance for several days, and the police are keeping watch at his home.

This is the obvious proof that the special services in the Eastern countries do not hesitate to use teams of specialists in France from time to time. Today, one can only be surprised at this concerted international activity.

5157

CSO: 3519/390

TURKISH DISSATISFACTION WITH DENKTAS ACTIVITIES REPORTED

Athens ANDI in Greek 15 Jun 84 p 9

[Text] Just a few days prior to signaling the 10th anniversary of the invasion of Cyprus by Turkish troops, Raouf Denktas, the Turkish-Cypriot leader, visited Ankara (12-14 June) for "talks with the Turkish leadership on the latest developments in the question of Cyprus."

Despite the honors of a chief of state, which Ankara had in store for him, it was impossible to hide the nervousness and the embarrassment of the two leaderships with regard to the choices that they were to predetermine in order to come to grips with the new situation resulting from Resolution 550 of the UN Security Council. For the first time, after 10 years of unlimited support, the Turkish press spoke openly against Denktas and revealed a "significant change in the Turkish position on the question of Cyprus." (TERTZUMAN).

This time, Resolution 550 contained articles that even disturbed Ankara. Particularly painful--according to the Turkish magazine BRIEFING--was Article 5, which "considers the efforts to settle any party of Varosia by individuals other than its inhabitants as unacceptable and demands the transfer of this area to United Nations administration." Also Article 6, which considers "any attempt at intervention in the status, as defined by the Peacekeeping Forces in Cyprus, as being contrary to the resolutions of the United Nations." Finally, Article 10, according to which the Security Council "resolves to observe the situation so that, in the event of non-compliance with Resolution 541 and the present resolution, it will be able to take urgent and appropriate measures," surprised the Turkish leadership.

Both Ankara and the occupied North hastened to reassure their citizens that Resolution 550 was without validity and of no importance to them. Denktas, infuriated as never before at the International Organization, patently ignoring precisely these articles, announced through his spokesman that he will oust, once and forever, the UN Army from the occupied lands, using for this purpose the veto at his disposal for the renewal on 16 June of the presence of the UN Peacekeeping Forces in Cyprus. At the same time he began the settling in Famagusta and it is known that at least 17 houses have been occupied. However, as the critical date of 16 June approached Denktas' reactions become increasingly contradictory. In moments of despair he discovers conspiracies, by the Greek military contingent, of imminent attack against the Turkish Cypriots. He also

believes that the UN Peacekeeping Forces conspire, with British military forces, for the occupation of Varosia as the objective. With the result that he makes sudden explanatory statements such as: "The section being settled is located in the ancient city of Famagusta, where the Turkish Cypriots have always lived, and should remain under the control of the Turkish-Cypriot community."

There are reports leaked to the Turkish newspapers according to which the Turkish-Cypriot side proposes a new formula for the extension of the term of the peacekeeping forces. According to the same reports, the Turkish-Cypriots would like to change only the words "Government of Cyprus"--in view of the fact that it is not recognized by the Turks as the legitimate government of the entire island--with the qualification "interested parties." The reason for Denktas' anxiety is understandable. Ten years after the division of Cyprus, having remained isolated and in a continuous, unstoppable, downward economic slide, and in the midst of an intense quarrel between the Turkish Cypriots and the settlers from Turkey--who, it is to be noted, enjoy special considerations by the authorities--the "hero" image of Denktas, who brought down his fist on the table of the Security Council, has faded (YENI DUSEN). "The latest resolution of the Security Council constitutes a document of the bankruptcy of Denktas' policy," the leader of the opposition party, Ozgur, claimed at the end of May. The Left, with the "Turkish Democratic Party" and the "Social Liberation Party," is about to unite as one party in order to increase its strength in the "parliament." On 24 May, according to a statement by a Turkish commentator, Denktas, for his part, in order to ensure his position as "lifetime president," which is being threatened, submitted a request to the "Constitutional" Commission to include in the "Constitution" the right to postpone strikes, to curtail basic rights and liberties and the holding of "presidential elections" at the same time as the "referendum." On the other hand, with a temporary provision, he proposed the requests that the "Turkish peacekeeping forces," as long as they remain in Cyprus, be considered jointly responsible with the Turkish Cypriot Security Forces and the Police for the internal and external security of his state. A dictator with the help of the Turkish Army? His proposed "Constitution," which is going to be voted on--according to his latest threats--some time this summer, does not differ much from the "Constitution" of the Turkish generals.

The persistent condemnations of Turkey, the loss of the economic sources for the keeping of the occupation army, in combination with the threats of the cutting off of US aid, make Ankara--especially after Resolution 550--particularly cautious about Denktas' grandiose plans. "We had the impression," the well-known Turkish commentator, Ali Birand, wrote, "that after the declaration of independence and after the passage of time, the uproar would subside and the people would forget. This, as a matter of fact, was what those close to the ministry of Foreign Affairs prominently maintained. During a recent secret meeting at the highest level, the Turkish officials, however, were worried by the 'signs of alarm' for the developments in Cyprus." And Birand, who visited the US recently, concludes that the Cyprus file is now being opened instead of being closed. "Of this the Turkish side is well aware and believes that something must be done."

A short time later, the daily TERTZUMAN discovered "a significant change in the Turkish position vis-a-vis the Cyprus question." According to all Turkish newspapers, the change stems from the pressures exerted by the US on Ankara. The MILLIYET published an entire scenario: "There are three demands by the US government and Congress:

1. The turning over of Varosia to the UN Forces and their settling by Greek Cypriots;
2. Postponement of the referendum; and
3. Postponement of the elections which were to take place at the same time as the referendum.

If these three points are not implemented, it is expected that Congress will react forcefully by reducing US aid to Turkey to 600 million dollars. The aid has already been cut from 755 million to 670 million dollars."

GUNAYDIN at first and then HURRIYET go on to other scenarios. According to these newspapers, the CIA is planning Denktas' assassination. Is it fear or some kind of hope? The general climate which, at the moment, prevails in Turkey is anything but optimistic for them. The majority is convinced that the solution to the Cyprus question being advanced is not what it desired.

9731

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LIBERAL, SWEDISH PARTIES HOLD CONGRESSES

Declining Liberals Elect Chairman

Helsinki HELSINGIN SANOMAT in Finnish 4 Jun 84 p 10

[Article by Arto Astikainen: "LKP Replaced Entire Party Leadership: Lallukka Unanimously, Nieminen-Makynen Took Loss Hard"]

[Text] Jyvaskyla--The Center Party's member organization, the Liberal People's Party, reformed the party's entire leadership at the party congress which ended on Sunday in Jyvaskyla.

All the selections of the Liberals were unanimous when the support of former deputy chairman Terhi Nieminen-Makynen, who had contested fiercely for the position of chairman, turned out to be so minimal at the congress that it was not necessary to vote for the chairman.

City councilman Kyosti Lallukka, 40, of Vantaa, was elected new leader of the LKP [Liberal People's Party] in place of Arne Berner, 56, who had handled his tasks for two years.

Lallukka defeated Nieminen-Makynen by a vote of 13-2 in the election committee of the congress. Only representatives of the Oulu and Kuopio districts supported Nieminen-Makynen. Sales secretary Heli Iso-Markku, 34, of Turku, and teacher Kimmo Sarkkinen, 43, of Pyhajarvi, replaced Nieminen-Makynen and Juhani Sipilainen as deputy chairman.

The Liberals' former parliamentary representative Anneli Kivitie, 50, a commercial college graduate from Pori, was elected chairman of the LKP's party council. Kivitie said she is currently "jobless and a pensioner."

Terhi Nieminen-Makynen, 37, who was a parliamentary representative for seven years and the party's deputy chairman for six years, took her loss so hard that she ran out of the congress locale with tears in her eyes shortly after the leader selections began.

Arne Berner considered Nieminen-Makynen's disappointment and emotion understandable, because the latter took aim at only one assignment, that of party leader, and did not make it.

"We tried to get her to take some other position, but nothing else was good enough. She announced, however, that she will continue to be loyal to the party," stated Berner.

"Won't we be sitting again at adjacent desks in the Vantaa city council on Monday, as we have done for eight years?" wondered the winner Lallukka.

In the congress corridor, people smiled somewhat feebly and characterized Nieminen-Makynen with the title "our sensitive princess."

Wind Sniffing Ends

Fresh party leader Kyosti Lallukka defined his course of action at Jyvaskyla as one in which sniffing the wind [to determine the popular, prevailing notion] now comes to an end in the LKP's leadership. The party's actions will be determined on the basis of programs and not by putting out feelers to see what may be pleasing to whom and when.

"It is the only way to bring back the party's credibility," said Lallukka.

Lallukka has specified as a wind sniffer Jaakko Itala, who led the Liberals before Berner. In the brochure which he had printed for the chairmanship contest, Lallukka blames Itala quite directly for the fact that the LKP lost its reformer role during his term and that he tried to make the Liberals into a middle-class party. Itala was not on the scene in Jyvaskyla.

Independence Undermined

Lallukka said he will try to get the LKP on a new upswing after years of defeats "by consistent and purposeful activity."

After the resignations and desertions which followed the union with the Center Party the Liberals now have 182 municipal delegates, and in Lallukka's view there is no doubt that at least that number of delegates will succeed in the municipal elections of October. For the Liberals that would mean 1.5-2 percent of all the votes. The LKP's support was one percent in last year's parliamentary elections.

The Liberals are greatly disturbed by the idea that the party is no longer considered independent after joining the Center Party. According to Lallukka, emphasis on the independent role of the party is an especially important task in the municipal election effort. He specified addition of intellectual discussion as a second means of raising support.

Lallukka believed that after the Jyvaskyla congress the Liberals have a lot of new things to give Finnish society. When he was questioned at a meeting with reporters what these new things were, Lallukka listed the expansion of democracy at work and in the home, environmental matters and family policy.

Anneli Kivittie wanted to further add to the list the struggle against society's guardianship of all kinds and the increase of permissibility.

In support of his activity at Jyvaskyla the new chairman received a new program of principles with which the Liberals intend to manage the next 15 years. The program is largely the creation of Lallukka, Olavi Borg and Osmo Lampinen.

In the program, human freedoms, rights and equality are stressed, a cautiously affirmative stand is taken on nuclear power, and one speaks on behalf of all kinds of small communities.

The relationship to the Center Party is defined somewhat loosely: the LKP is a liberal reform party which is located in the political center.

Good Idea, Few Buyers

The liberals in Finland have a serious problem. It is true they have a good idea which is widespread in the world and which, one would think, all voters accept: eliminate inequality, support flexibility and tolerance, defend human freedoms, rights and equality. But the good idea just does not sell.

The former permanent government party, the party of presidents and prime ministers has faded into the member organization of another party. It has lost its voters, its parliamentary representatives, its money and its credibility. There are ten thousand members left over, however, who do not intend to give up.

Kyosti Lallukka, administrative chief of an insurance company, must now convince the voters that the LKP is a true, genuine, credible and independent party, although it pursues its idea and its affairs through the center party by adding liberal, urban viewpoints to the declarations of conservative, rural dwellers.

A university student in the social sciences, Kyosti Lallukka, 40, has previously directed Finland's first student strike in Tampere, the Liberal Youth Alliance, the publishing division of Gaudeamus and the LKP's election efforts.

He is not a state celebrity or an experienced parliamentarian but a party plugger and city councilman, who has the strength to speak about a matter thoroughly and at length, selecting details, and to seek justice even through the bureaucratically rigid path of appeal.

During his undergraduate days in Tampere he was the radical terror and campus fighter of the university's and the city's Social Democratic leadership. As a political secretary of Liberal ministers in the 1970s, he for his part made Prime Minister Kalevi Sorsa (Social Democrat) nervous. In the government negotiations of 1978 Sorsa made it a condition of the LKP's ministerial portfolios that Lallukka was no longer to be a political secretary.

Now Sorsa can begin to rely on the idea that party leader Lallukka may yet become a minister.

The radical gruffness has softened in Lallukka. Arne Berner thinks that Lallukka was elected chairman because he is a purposeful workaholic, unprejudiced and rich in ideas.

No one at the party congress gave reasons for Lallukka's selection. The Liberals in the congress hall concentrated on proving to each other, somewhat apathetically to be sure, that the LKP still exists and is necessary.

The party lungs paralyzed by the Center Party linkup were again breathing, the party is alive, although it is no longer seen in the Parliament, in the government, in the polls or on television.

The Liberals believe that the deepest trough has been left behind. A thousand candidates have been found for next autumn's municipal elections and for more municipalities than four years ago. Lallukka is expected to lead the Liberals on a new upswing.

The Jyvaskyla congress proved that the linkup with the Center Party was not a quick political suicide for the liberals, but a consumptive disease can also kill.

Perhaps the new party leadership notices that there was no longer enthusiastic, rational toil at the party congress. The LKP has also lost the youth.

Swedish Party Remains Fulcrum

Helsinki HELSINGIN SANOMAT in Finnish 4 Jun 84 p 10

[Article by Martti Backman: "Swedes in Favorable Circumstances"]

[Text] The Swedish People's Party is sailing in a mild tail wind. The party get-together of the Swedish-speaking was an idyll, which reminds one more and more of a family celebration than a political congress. External threats and internal conflicts alike were far away from the summer festival of Finland's most self-satisfied party.

There were those in the 1960s who predicted the judgment day of the RKP [Swedish People's Party] in the 1980s. It has worked out differently. Things are going relatively better than ever for the party.

The RKP has steadfast support on the basis of which it has obtained in our society positions of power of which no other party of corresponding size would be capable.

The much talked-about crisis of the parties is not known in the RKP. During the last couple of years, 2,000 new members have joined the party.

The RKP is a pure language party. The only bond holding its membership together is the Swedish language and culture. Thus the party's fateful question has been the continuous diminution of the Swedish-language portion of our people, or the narrowing down of the voter substructure.

The interest--which appeared in the last elections--of the Finnish-language voters in the alternative offered by the RKP brought surprising relief to this problem.

In particular, the Finnish speakers who have been attracted by liberalism seem to be drawn to the party, because it has been said that authentic Western liberalism is found in Finland only in the RKP.

In a short time the Swedish speakers have evolved into the same kind of favorite of the Finnish-language majority as the Orthodox Church. Unanimity about the richness of Swedish-language culture for Finns has already developed into a worn-out phrase.

Self-deception

Inspired by its success, the RKP has zealously adjusted its nets to trap Finnish language sideline votes. Many RKP members, however, experience the taste of self-deception in this business. They are of the opinion that the RKP can never obtain true, influential and stable support from the Finnish speakers.

They also point out that the bulk of the 15,000 Finnish votes which came in the last elections were personal votes for the popular foreign minister Par Stenback.

The RKP does not have actual enemies which threaten the party's existence or positions. In the competition for the favor of the voters its worst opponent is traditionally the SDP [Social Democratic Party].

The Green movement has recently pushed forward like a breaker wave to become a challenger of the RKP. Referring to the opinion polls, however, the party does not consider the Greens its competitors. On the contrary, in certain regions the Greens even recommend that their supporters vote for RKP candidates.

Last autumn the SMP [Finnish Rural Party], under the leadership of its honorary chairman Veikko Vennamo, tried to pick a quarrel with the RKP. This skirmish, which took on the features of a language war, ended quickly in a moral victory for our Swedish speakers. Their own ranks tightened, and sympathy came from the Finns.

The surprise attack affected the RKP to such a degree that it has now chosen as its municipal election slogan a phrase which is meant to be a modest protest to populism: "Results with Knowledge."

Government Material

The RKP has established its position as a fundamental part, trustworthy and capable of cooperation, of left-wing/center governments. The share of ministry posts obtained by the party is in fact disproportionate, but in exchange the party has offered professionals who have handled their assignment stylishly and competently.

The party's tactical philosophers' stone has been middle-party collaboration among it, the Center Party and afterwards the SMP. The RKP has become an

indispensable part of the government majority by which the middle-class front opposes the supremacy of the Social Democrats.

The RKP's position in a left-wing/center government is so secure that Chairman Stenback has sharply opposed ideas cherished in the party's conservative wing about a pure middle class government strengthened by the Coalition Party. The RKP should show its colors much more clearly among the members of the middle class.

Par Stenback Becomes Chairman for Eighth Time

As expected, Par Stenback was elected chairman of the Swedish People's Party for the eighth time. Marked by nearly consistent unanimity, the RKP's party congress also renewed the choices of deputy chairmen.

Junior barrister Paivi Hirsikangas, director Patrik Lilius and parliamentary representative Hakan Malm were elected deputy chairmen. In the party's internal division, Hirsikangas represents women and the Finnish-speaking Lilius the conservative wing, and Malm the agricultural population.

Those elected were not confronted by opposing candidates. The selection was such a routine, clear-cut decision that it was not even solemnized by a flower-giving ceremony.

The RKP's second congress day proceeded moderately and without surprises. The perfect harmony was not broken until the final stanza of the congress when it was necessary to vote for the members of the party government.

It was not necessary to vote on actual matters during the party congress. A controversy did not even arise from the motion--it was expected beforehand to cause a fervid dispute--to establish a college in Pohjanmaa.

The undertaking pursued by the Vaasa party sections was primed by a vigorous campaign, tinged with district-policy passions, in the Swedish-language press.

After a short discussion, however, the Vaasa party folk yielded to the will of the party leadership and withdrew the motion.

The leadership thus got the work peace it wanted for thorough preparation of the matter for Minister of Education Gustav Bjorkstrand. Not one vote at the congress opposed the decision.

During the day the congress accepted some forty motions as well as a new municipal policy program. In between, the party folk interrupted their hard work and moved to the yard of the stately Ostrobothmian house which was close to the congress site to enjoy the summer festival program and popular music.

In the RKP's opinion, one may not force a municipality to locate on its territory a nuclear power plant or large factories which cause environmental damage. The RKP also want to include this principle in the nuclear energy law.

Paper Comments on Congress

Helsinki HELSINGIN SANOMAT in Finnish 4 Jun 84 p 2

[Editorial: "Party Congresses Anemic"]

[Text] The parties' topmost decisionmaking organs, the party congresses, are splendid opportunities to give vent to social shortcomings, to mark out reforms and to clarify the parties' picture. There is a special need for this now. Dissatisfaction has been observed, even alarmingly so, in the attitudes citizens adopt toward the parties. Bracing medication would now be more than justified.

The outcome of the congresses of the three small parties over the weekend was not, however, encouraging, even though the municipal elections are just up ahead, and in them democracy should be made to function.

The most self-confident of the small parties is--and may well be--the Swedish People's Party. Its position is relatively firm in both municipal and national life. Its support has remained pretty much the same three times in a row in the municipal elections. In a country where the portion of Swedish-speaking Finns is declining, this is an achievement in itself.

To judge from the party congress, the RKP has no great desire for an increase in support, nor would it easily succeed at this on account of the party's nature. The most important thing for the party has been and obviously is protection of the position of the Swedish-language part of the population and improvement of its conditions.

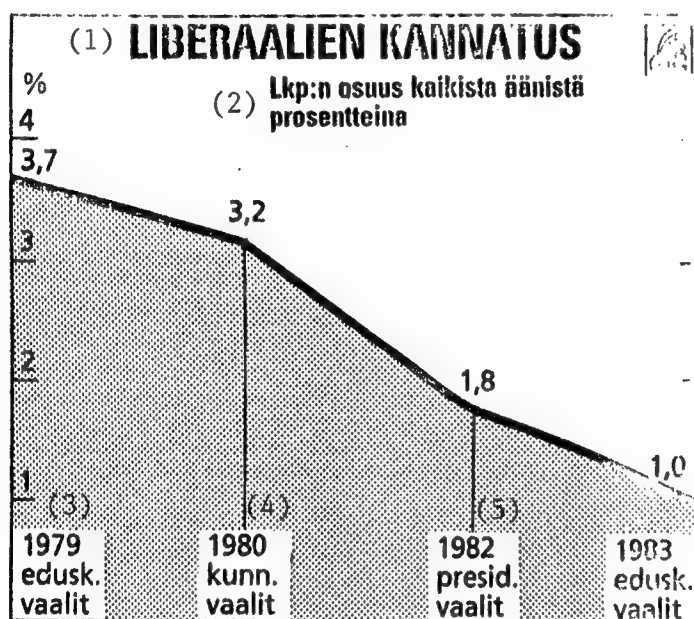
The RKP has its own problems, of course, but they are comparatively small. It is also reflected in the party congress, which spiritedly discussed some local questions. It also touched upon the so-called Green movement, whose environmental problems, which have been its driving force, deserve the interest of all parties and citizens.

Election of the chairman in the RKP was just as trouble-free as at the congress of the Christian Alliance. Otherwise there is a big difference between these parties. In comparison with the personal contribution of the RKP, the Finnish Christian Alliance has not had anything to give to national life. It has primarily criticized others and opposed, for example, middle-strength beer, abortion and updating of the surname law. At the wish of the party leadership, nuclear power was supposed to join the same group, but the congress did not accept the idea. It would have been senseless anyway, since a feasible energy alternative was not offered in its place.

The Liberal People's Party does not have, for its part, the former weighty standing after the union with the Center Party. Its significance in the last parliamentary elections shriveled down the fact that it helped the Center Party obtain additional seats which otherwise it would have been left without.

Nevertheless, the LKP is a registered party which needed and received a new chairman and its other party organs. Thus it is somehow trying to keep above the political surface of the water and even pick up municipal delegates. In this respect, to be sure, the outlook does not promise more than slender success, clearly more slender than four years ago, when the party still garnered 80,000 votes or 3.2 percent of the total.

The most fundamental reason for the LKP's unfortunate role is that the party, under different names, has not had a strong, intellectual leader in decades. It lacked those golden times which, in principle, it would have had when the other political powers increased the guardianship and bureaucracy directed at society's individual and limited the individual's freedoms. Then the LKP shut its eyes and even made the mistake of supporting the limitations. Now, alongside the Center Party, liberalism is just dimly visible.



KEY

- (1) Support for the liberals
- (2) LKP's share of all votes as percentages
- (3) Parliamentary elections
- (4) Municipal elections
- (5) Presidential elections

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CSO: 3617/171

CHEVENEMENT CALLS FOR NEW POLICY FOR EMPLOYMENT, GROWTH

Paris LIBERATION in French 27 Jun 84 p 10

[Article by Gilles Bresson: "Chevenement Says 'Mauroy, Delors--Out!'"]

[Text] Because he cannot be Sirius, Marcel Dassault invented the Cafe du Commerce. For his part, in order to advance his ideas, Jean-Pierre Chevenement adopts the position of a "citizen and not a leader of a political party." This did not prevent him from being "sure of reflecting a feeling which goes beyond the traditional splits," when he drew his conclusions about the European elections during a press conference held yesterday in Paris, prior to the PS [Socialist Party] official committee meeting next weekend.

At the outset, the leader of the CERES [Center for [Socialist] Studies, Research, and Education] admitted that "the interpretation of the results is obviously not naive." He said that "there is no 'shift toward the right,' as such." Which is far from being the same thing. And there's a reason. A shift toward the right" would represent the need for political recentering, not to say pursuit of the economic policy implemented to date. Now Jean-Pierre Chevenement has no doubt: this policy is the cause of this "massive abstention, this unprecedented divorce of the government from the majority which elected it."

In his statement, the former minister of industry and research refused to mention Delors by name or any harsh critic of this economic policy which "is based on traditional methods." In fact, his written text explained more bluntly that "the current economic policy does not differ enough in its goals and its methods from that of Raymond Barre (priority for the battle against inflation through abandonment of indexing wages to prices, alignment of the franc with the mark, the expected resurgence of investment thanks to the re-establishment of enterprise profits) to be understood and supported by the leftist voters. They expected of the 1981 majority the implementation of specific and original solutions, and not a return pure and simple to a logic which they had opposed and rejected."

In brief, according to him, the same words produce the same effects, whether in 1981 or in 1984. In order to mobilize again "this basically popular electorate" which has suffered from "unemployment and the decline in purchasing power," it is necessary to change tack drastically, to reestablish growth, or

there will be a bitter failure in 1986, because the trend is currently toward "between 2.7 and 2.9 million unemployed."

The remedies urged by Jean-Pierre Chevenement are known there as well. The situation is serious! Thus he recommends, as he did before, the establishment of a "public recovery government capable of converting anguish into action." This is a concept which could hardly be more vague but has the merit of being resonant when danger exists. Beyond that, it means a drastic change of policy for Jean-Pierre Chevenement, and the setting aside of the "splits" and the "obstacles usual within the PS" in order to resolve the crisis. "The establishment of a public recovery government would with certainty bring profound changes in ideas, methods and men." Within this plan, he does not exclude the Rocard hypothesis. He prefers not to concentrate on names. It is not a question of "putting the cart before the horse," he says. What is important is a "break" with what has been done to date, and the "imagination" needed to launch a different policy giving priority to "employment, and thus to growth." If the minister of agriculture fits into this mold, there could be no criticism. The same is true for all the others. And especially, of course, for himself.

A diplomat, he avoids talk of implementing a "different policy." The formula lasted long after it was rejected by Francois Mitterrand. Therefore he is putting forward another concept. It is simply necessary "to invent a new policy." This is the same thing, while at the same time it is not, since in 1984 "one cannot return to 1981. Time lost cannot be made up. The choices made and the new balance of forces must be taken into account."

This strategy of reconquest must be pursued in two stages. Initially, this "government of public recovery" must mobilize the leftist voters again. Limited at first, it can open out later, but only later, toward individuals who are not members of the present majority. First "resistance" and then "reconquest," he explains, quoting Francois Mitterrand. Implicitly, this allows the presumption that a Rocard hypothesis which could lead to a PCF [French Community Party] retreat and recentering does not have the support of the leader of the CERES. In his view, left-right wing polarization is a fact one cannot circumvent. "The institutions of the Fifth Republic, through their functioning, have based this distinction on a system of rival coalitions, each of which is dominated by one party." This "system which allows democratic alternation" should not be challenged by a disruption of the electoral law designed to allow the birth of a new center. This strategem would change nothing in history or in the overturning of the majority in 1986. However, he excludes neither "electoral redistricting putting an end to the underrepresentation of Paris and certain other urban regions and the overrepresentation of the rural zones," nor the introduction of a measure of proportionality, as in the municipal elections. At least on this point, he does not place himself in an uncertain position relative to Francois Mitterrand.

A cautious man, Jean-Pierre Chevenement avoids a direct challenge to the PS or Lionel Jospin, who succeeded in effecting a salvage operation with a score of slightly above 20 percent. No question of missing the target here. "Because it is the cast shadow of government policy, apart from a few steps off

the path on the issue of secularity, the PS has no autonomous mobilization capacity. It is the content of a government policy itself which does or does not make mobilization possible," he explained. If the PS continues to support the Delors policy, it will mean failure in the end for Jean-Pierre Chevenement. No contribution, however good, from the first secretary will change anything in this regard. The argument may well prosper. It may be taken up by a considerable number of leaders of the first faction during the next leadership committee meeting. This will allow the CERES to avoid isolation. And to place the blame for the failure of the left with the Europeans on the shoulders of the Mauroy-Delors government.

5157

CSO: 3519/390

POLITICAL

FRANCE

BRIEFS

DUMAS MEETS KHOMEYNI REPRESENTATIVE--A representative of Khomeyni Sadegh Tabatabai, a former prime minister and distant relative of the supreme imam, recently visited Paris, where he met on 21 June with Minister of European Affairs Roland Dumas, who has often carried out confidential missions for the chief of state, LE CANARD ENCHAINE reported in its issue dated today. This would have been a relatively innocuous matter, if Tabatabai had not leaked some news reports in the FRG last year, where he was arrested for trafficking in drugs. Sentenced to 3 years in prison, he was released after a series of negotiations between Bonn and Teheran. [Text] [Paris LE QUOTIDIEN DE PARIS in French 27 Jun 84 p 40] 5157

CSO: 3519/390

PASOK AFTER ELECTIONS; CHANGES, STRUGGLES, PROTESTS

Changes in KYSYM Announced

Athens ELEVTHEROTYPIA in Greek 19 Jun 84 p 40

/Text/ Prime Minister Andreas Papandreou is immediately reacting to the electoral results by a government reorganization that would result in the government's operations becoming more vigorous and thorough.

It is considered certain --although it is officially being denied-- that there will also be a broad government reshuffle shortly with particular stress in changes in the economic sector of the government.

Denying that a reshuffle or "restructuring" is imminent ("there is no such intention," he said) Dim. Maroudis, the government spokesman, announced yesterday that KYSYM /Government Council/ is being broadened through the inclusion of other ministers (the names of Messrs I. Kharalambopoulos and K. Simitis are already being mentioned).

Maneuverable

Thus, KYSYM is in essence being converted into a small Ministerial Council, i.e. a maneuverable staff organ that will convene once a week --while the Ministerial Council will convene as a plenum once a month.

Up to now, members of the expanded KYSYM have included, besides the prime minister, Mr Ap. Lazaris as head of the government group on public administration; Mr Ger. Arsenis as head of the economic group; Mr G. Gennimatas as head of the quality of life group; Mr A. Tsokhatzopoulos as head of the technical group; and Mr Koutsogiorgas as the PASOK parliamentary representative (Minister of Interior M. Koutsogiorgas and Minister of Justice G.A. Mangakis are to be reinstated in their positions this week --most probably tomorrow).

It is expected that the current corresponding service ministers (Messrs P. Markopoulos and N. Papandoniou) will submit their resignations today.

The government spokesman's statement clearly shows that the revamped KYSYM "does not replace KYSEA /Government Council on National Defense/ which has exclusive authority over defense issues."

The following is the full text of the government spokesman;

"In order to promote more effective operations in and better coordination of government, Prime Minister A. Papandreou has decided to expand KYSYM through the participation of other ministers so that all four activities of the Ministerial Council might be represented.

Four Groups

"KYSYM and the groups that will have a single secretariat will convene once a week while the full body of the Ministerial Council will convene once a month.

"KYSYM thus acquires a role of a 'small ministerial council' that will study and decide on issues whenever a political decision must be taken and not as in the past when it was engaged exclusively with economic policy issues.

"The current economic issues will be examined and decided on in the economic group.

"Through the weekly meetings of the four groups and KYSYM there will certainly be a speedier and more effective coordination of the government's operations so that the Ministerial Council will become a purely staff organ. It should be pointed out here that KYSYM does not replace KYSEA which has exclusive authority over defense issues.

"The first meeting of the full body of the Ministerial Council will take place Friday at 12 noon."

Reactions to KYSYM Changes

Athens I KATHIMERINI in Greek 23 Jun 84 pp 1, 5

[Excerpt] Yesterday Prime Minister A. Papandreou tried to blunt growing dissatisfaction among both ministers and deputies over the determination of government policy by the party executive office. At the Ministerial Council meeting held yesterday at noon under his chairmanship, he did not propose the participation of Deputy Minister of the New Generation K. Laliotis on KYSYM although on Tuesday he himself had announced the participation of all three members of the executive office secretariat on this supreme government organ. At the same time, prior to the Ministerial Council meeting yesterday Mr Papandreou received Mr As. Fotilas, the deputy minister who had submitted his resignation, at the political office of the Chamber of Deputies and talked with him at length. Nothing was revealed on the contents of their discussion. The government spokesman refused to offer any explanation on the resignation of the deputy minister for Greek emigrants but admitted the existence of correspondence. He denied reports published in the pro-government press about his resigning for health reasons.

Most of the government ministers answered the tactics of intimidation, unleashed the day before yesterday by the government's top leadership at the prompting of the 3-man executive office secretariat, namely Messrs Tsokhatzopoulos, Gennimatas and Laliotis, by making strong protests to the prime minister, the political office and Mr I. Alevras, president of the Chamber of Deputies. These protests increased after the sudden announcement of Mr Fotilas' resignation with the submission of memos by various ministers and deputy ministers to the political office and the prime minister. Moreover, both Mr Alevras and other top-ranking ministers have opposed the assignment of Mr Laliotis --a deputy minister-- to KYSYM with its broadened authority that makes it into a veritable Ministerial Council.

It appears that Mr Papandreou backtracked in the face of these pressures so that yesterday he announced at the Ministerial Council meeting that Minister of Foreign Affairs I. Kharalambopoulos and Alternate Minister of National Defense A. Drosogiannis are becoming permanent members of KYSYM. Therefore, the executive office party officials remain a minority on KYSYM since only Messrs Tsokhatzopoulos and Gennimatas are on it. As a concession to the party officials the prime minister promised that KYSYM itself can decide on being expanded.

The Fotilas Case

In connection with the Fotilas case, Mr Papandreou wanted to contain the uproar by trying to avert creating a controversy with his former deputy minister. Yesterday Mr Fotilas was not answering any phone calls and his whereabouts were unknown except for noon when he went by the political office.

At any rate, Mr Papandreou's retraction on both counts is considered by political observers as proof of the prime minister's weakness to implement strict and threatening measures to reduce opposition brought about by the electoral results.

The three men of the executive office secretariat were the ones who maintained that PASOK would get 50 percent of the vote and who had proposed the acceptance of polarization tactics against ND after the elections with a simultaneous overture toward the Center by making use of Mr G. Mavros. They also wanted to place KYSYM under their direct control so as to render it into an organ essentially to make government and party decisions since they were encountering great opposition from Messrs K. Simitis and D. Rokkos, the newly-assigned members in the executive office.

Correspondence

In connection with the resignation of Deputy Minister for Greek Emigrants Fotilas the government spokesman denied reports published in pro-government newspapers to the effect that he had resigned for health or personal reasons. Also, in connection with the existence of correspondence he answered that he did not know anything about it without, however, excluding its existence.

In response to persistent questioning by reporters, the government spokesman answered that he knew nothing and had no information whatsoever on when Mr Fotilas had submitted his resignation. He added, however, that the government knows the reason and also about the letter. The only thing, he added, is that he himself did not know anything.

When asked why the prime minister did not express his thanks to the deputy minister as has been the case in the past, he answered that he would bring up the question with the prime minister.

When he was finally asked how he could explain the fact that on the one hand the prime minister is spurring ministers to see to it that the government functions smoothly and yet on the other hand the government spokesman does not know the reasons for the resignation of a deputy minister, he did not answer!

Disagreements Seen 'Plots'

Athens I KATHIMERINI in Greek 26 Jun 84 p 1

/Excerpts/ The Fotilas case is being turned into a short-fused time bomb for the government not only because of the latter's connection with it but because of its trustworthiness as an organ that can lay out some kind of policy with consequence and continuity. To ward off further disagreements the government has been resorting to political terrorist methods. Political observers give great importance to the dimensions of this case --and not to the possibility of an impending break up of PASOK as the government itself hints at and put forward by the pro-government press-- inasmuch as the Fotilas case is one of an extremely long series of cases that reveal and confirm a continuous inner-party and inner-governmental reckoning of positions, ideas and policy lines. They raise the question as to who dictates the drawing up of government policy. Characteristic in this case is the view expressed by Mr Fotilas in his letter to the prime minister stressing --without mincing words-- that "in the name of blind party obedience not only has the right of honest disagreement but the right of independent opinion --that has now been monopolized by political leaderships and their unthinking immediate entourage-- been essentially abolished."

It is characteristic that the government, knowing the already very long list of officials disagreeing --they come from all political tendencies within PASOK-- has reacted strongly by seeking to impose silence --in a first phase at least-- if not party discipline. In a very strong statement Prime Minister A. Papandreou (a) condemned the undermining role of Mr Fotilas and (b) was unaware of the fact that he himself had reutilized his deputy minister 2 years after his "discharge," an act that was considered as a reward for party discipline and political impartiality of the politician from Akhaia.

The strong reaction by the prime minister --that also indicates great uneasiness, if not panic -- and the even stronger reaction by the pro-government press is considered as being aimed at "cutting the appetite" of any other dissenting official who is thus being "informed" that he will be stigmatized as a conspirator.

Intragovernmental Feuding

Athens AKROPOLIS in Greek 22 Jun 84 pp 1, 9

/Excerpt/ The intragovernmental crisis is growing. Deputy Minister for Greek Emigrants Fotilas resigned yesterday, while Minister of National Economy Arsenis is indirectly passing on information that he is about to be replaced. At the same time, strong criticism is being expressed against the policy being shaped by the so-called "troika" of the PASOK executive office, i.e. Messrs Gennimatas, Laliotis and Tsokhatzopoulos. Symptoms of a government crisis are being manifested just a few days following the electoral results that revealed a drop in PASOK's electoral strength. They also prove that the trumpeted cohesiveness of the government party is non-existent. On the other hand, disagreements among members of the Ministerial Council are causing resignations. At the same time, the undermining of ministers by government party circles, as in the case of Mr Arsenis, is no longer being hidden.

With regard to Mr Fotilas' resignation it was announced during the night that he had submitted it to Mr Papandreou who accepted it without giving any official explanation on what caused the deputy minister to withdraw from the government.

"On His Own Initiative"

The government spokesman, who had been sought to be asked why Mr Fotilas had resigned, disappeared from sight, at least that was what members of his private office said.

In the meantime, government sources put out information to the effect that Mr Fotilas resigned on his own initiative.

Other sources related that Mr Fotilas had become disgruntled because he had been in essence replaced in his duties by Deputy Minister of Foreign Affairs Kapsis.

Mr Fotilas expected Mr Papandreou to restore his authority as deputy minister for Greek emigrants. And since the prime minister did not agree with him he decided to resign.

On the other hand, certain pro-government sources related that Mr Fotilas had become undesirable to Kastris since he did not reject his criticism over the inefficiency of the government and its many failures.

Thus began his being systematically supplanted by Mr Kapsis and to be forced to resign as deputy minister for Greek emigrants.

It is the second time that Mr Fotilas has ceased being a member of the PASOK government.

The first time he had been dismissed by a phone call from Mr Papandreou because as a deputy minister of foreign affairs at that time at a meeting of EEC foreign ministers he had exceeded the prime minister's instructions on the position he was supposed to maintain.

With regard to information that Mr Arsenis' position in the government is being undermined, very reliable sources have disclosed the following:

For some time now various PASOK cadres have criticized Mr Arsenis for the economic policy he is following charging that it is burdening the government party with great political costs that is damaging to its electoral prospects.

Criticism of Mr Arsenis by party cadres was justified by last Sunday's electoral results that were unfavorable for PASOK. They then began polemics against him by spreading information to the effect that Mr Papandreou intended to dismiss him from the government because he considered him to be co-responsible for PASOK's substantial defeat.

Arsenis-Vaitsos

These party cadres generally feel that the effectiveness of the government's economic policy constitutes the decisive measure for the maintenance of its electoral strength. And since the electoral results showed that PASOK is not so beloved by the people as in the 1981 elections, these party cadres are now looking for scapegoats to put responsibility on them.

Within the framework of this battle there now comes the report published yesterday in a "hard-line" pro-government afternoon newspaper to the effect that Messrs Arsenis and Vaitsos are leaving the government, that the Ministry of National Economy is being abolished and that a Ministry of Planning is being created in its place with Mr Lazaris becoming minister.

Mr Arsenis indirectly admitted that PASOK circles have circulated information against him as revealed from his statement that appears further on.

Nevertheless, Mr Papandreou came to his assistance by denying that he intends to dismiss him from the government.

At the same time, the government spokesman once again denied that a government reshuffle was imminent. He issued a public statement in which he mentioned the following:

Sadness Is Expressed

"The prime minister expresses his sadness over the reports published --indeed, given the fact that just yesterday (the day before yesterday) he had stated that a reshuffle was not the prime minister's intention -- that constitute fabrications of phantasy. The issue is non-existent."

The government spokesman subsequently answered relative questions. He said that the statement that there will be no reshuffle was explicit because --he added -- it has no meaning.

He also said that it was not accurate that the PASOK executive office had suggested that a reshuffle be carried out.

Minister of National Economy Arsenis also issued the following statement:

Indirect Intervention

"It is not the first time and I fear that it will not be the last that such rumors circulate.

"Economists are judged over their estimates as to whether the economy goes well or not. I do not know whether journalists are rated on their estimates. If so, then I would have to recommend to many of you to be more careful."

When the observation was made to him that the "rumors" circulating were based on information that originated from PASOK itself, Mr Arsenis said that the sources of the information were known to him.

that he himself has the trust of the party executive office "troika," especially of Deputy Minister of the New Generation Kostas Laliotis) with being responsible for PASOK's failure in attracting a larger number of new voters during the recent elections. A possible replacement of the current PASOK youth organization leadership is deemed certain to threaten the delicate intra-party balance. This is so because the PASOK youth organization, since it constitutes a motive force of the entire party apparatus, has made its mark as a strong weapon for claiming intra-party superiority over various other groups that are active at the leadership levels.

Of course, dissatisfaction with Mr Manikas and his associates was evident inside the youth organization even prior to the 17 June elections. It is also being said that from the time of the 4 April student elections until June many messages of protest had been submitted to high-ranking party officials by youth cadres. In fact, certain ones had even reached the close circle of Mr A. Papandreou's associates through the assistance of deputies, without, however, any reaction having been noted.

Issue to the Prime Minister

However, the 17 June elections aggravated and increased the smouldering dissatisfaction since they revealed that PASOK did not gain from the new voters the electoral benefits it hoped for. Many have cast responsibility on the present youth organization for the electoral results. Under these conditions the issue has even reached the prime minister himself who has given instructions to his secretary, Mrs Angela Kokkola, to look into the matter and inform him.

Mrs Kokkola called in a youthful party deputy who has close ties with the youth organization and told him to prepare a report on the situation that has developed. According to reliable sources, this report, that was handed to Mrs Kokkola last Saturday, proposes among other things the replacement of the present PASOK youth organization secretary, Mr Stefanos Manikas. The deputy who drafted the report attributes the failure by PASOK youth to attract more young voters to the following primary reasons:

1. Disappointment created among a great percentage of Greek youth because of certain governmental measures or certain governmental omissions.
2. Intense fighting among factions within the PASOK youth organization that is being waged even through connections with the highest level elements of the party executive office.
3. The euphoria of authority that has seized certain youth cadres to such an extent that they impatiently seek the most suitable way to be delivered of party responsibilities so that they could assume vital positions in government.
4. The handling of the present youth organization leadership in a wrong manner with respect to the above-mentioned reasons.

Among the solutions suggested in the report is the detachment of the PASOK youth organization from the "asphyxiating clasp" that the party has on it today. Thus within the framework of the movement's policy it will come directly under

Criticism of the Troika

Besides the infighting among PASOK cliques there is also the added element of criticism --from the Left -- of the tactics followed up to now by the so-called troika of the PASOK executive office made up of Messrs Gennimatas, Laliotis and Tsokhatzopoulos.

Specifically, at the PASOK executive office meeting the day before yesterday that was held under the chairmanship of Mr Papandreou, Mr Rokos, the newly-appointed member, strongly criticized the troika and charged that the tactics it has laid out are no less responsible for the significant drop of the government party's electoral strength.

According to information that, of course, is not expected to be corroborated, Mr Rokos who belongs to PASOK's hard-line and left wing criticized the members of the troika because, in his opinion, they promoted polarization that ended up to PASOK's detriment in the Euro-elections.

Mr Rokos' view is that only by sticking to its leftist policy line can PASOK survive politically.

Mr Rokos preferred to direct his criticism against the troika so as not to include Mr Papandreou in his attacks. In essence, however, the criticism by the new member of PASOK's executive office also concerned its chairman since he himself had accepted the suggestions of the troika and had ratified them through his approval.

The Left Wing

The criticism expressed by Mr Rokos is also indicative of the decision by the government party's left wing not to permit centrist deviations into its leadership. To the contrary, it will insist that for PASOK to survive it must stick to its leftist policy line.

These new elements altogether confirm information published in AKROPOLIS yesterday about intense fighting among intra-party cliques. As an extension of this, these new elements show that the intragovernmental crisis that resulted in the unfavorable electoral results for the government will continue and will probably get worse.

Crisis in PASOK Youth Organization

Athens I KATHIMERINI in Greek 26 Jun 84 pp 1, 3

/Text/ The Euro-election results of 17 June have brought about a deep internal crisis and dangerous repercussions on the PASOK youth organization. According to sources that are well informed on what is happening inside the government party, opposing developments that are evolving and strong intra-party fighting that has broken out can well lead to the replacement of Mr Stefanos Manikas, PASOK Youth president, and his group in the immediate forthcoming weeks. Deputies, close associates of the prime minister, and other party officials are charging that Mr Manikas and indirectly his high-ranking party protectors (it is said

the PASOK president and it will have its own organizational structure. It is to be noted that today the PASOK youth organization is completely embodied in the party mechanism and does not have any independence or autonomy, not even organizationally-speaking. This is something that, of course, is not the case with other political youth organizations.

At any rate, developments are expected in the coming weeks once Prime Minister Papandreou is briefed by Mrs Kokkola.

For the present, unconfirmed information relates that the strongest successor to Mr St. Manikas is Mr Giannis Nikolaou, PASOK youth organization alternate secretary and responsible editor of AGONISTIS, who maintains close relations with the deputy minister of education and with Mr P. Moralis, member of the party executive office. However, it cannot be excluded that one of the following might be promoted for the position of secretary: Thanasis Papageorgiou, Fotis Khatzimikhailis (responsible for student affairs) and Thanasis Kourmantzis (responsible for labor affairs). All have developed close contacts with other leading officials of the government party.

According to estimates of political observers the crisis that has broken out in the PASOK youth organization is indicative of the more general climate prevailing within the movement following the 17 June Euro-elections.

It is being conjectured that this crisis could have broader repercussions since it is being manifested in an area that, besides being a select one for the movement, is also strategic for intraparty clashes and restructuring.

5671

CSO: 3521/279

ND AVEROF'S POST-ELECTORAL POSITION ANALYZED

'Averof Issue' Exists

Athens POLITIKA THEMATA in Greek 22-28 Jun 84 pp 13, 14

[Excerpts] There still survives in the ND one misdeed. It is the misdeed--a serious one--that Mr. Averof made in demanding that a group of individuals friendly to him capture the leadership. This misdeed was successful then because the leader of the ND had enough democratic sensitivity so as not to put up with such anti-democratic thought. He resigned.

Mr. Averof believes today that he is being sniped at by men who lay in wait to take over his job. This is his second mistake. Because, while no one uses it as a starting point, everybody agrees that it is a demand of the times, times with which Mr. Averof is not only not in touch, but cannot even express because of his idiosyncrasy.

The ND is now facing a rebel who first dared to fire a warning shot: Samos deputy Th. Sofoulis demanded Mr. Averof's resignation and that of the ND's political council.

It is possible that his action may not be in accordance with the party statutes, which stipulate other things on the subject of the change in leadership. But Mr. Sofoulis, disappointed by those who whisper in the corner, who, when faced with responsibility, defer it indefinitely, made a decision to be a rebel in Samos rather than face the hypocrisy of Rigillis Street.

The question now is: Can a deputy be expelled because he rudely expressed what is the incontrovertible reality? What are the others who think he is right going to do?

Mr. Averof sent to the disciplinary council a deputy who, with overwhelming sincerity, did what he underhandedly had plotted against Mr. G. Rallis.

However, these illegalities, these contradictions, hypocrisies and frauds are paid for by the electorate in the end.

The leader of the ND, instead of talking about "treason," would do better to offer his party the only service he can offer and which is insistently demanded.

We remarked in the previous issue: "The difference and political fortunes of the two leaders, A. Papandreou and E. Averof, now that the pre-electoral struggle is over, are diametrically opposed. One, the premier, is playing with his percentages. The other endangers the rest of his political future..."

Now, a week later, these lines take on a particular significance. In PASOK Mr. A. Papandreou's place is--at least on the surface--unshakable. It was the smaller percentages that were simply bothersome.

The same cannot be said for the ND. After the war cries of "Averof equals power" there has come the hour of party dispute. Now the issue is back again as the grassroots and many cadres now see that the new struggle necessarily presupposes a different effort, a different type of slogan.

Naturally, any hasty action directed towards a leadership change would be a mistake, as it would also be a mistake to deny the existence of the issue.

The Averof issue, therefore, exists. But it has been an issue for some time. Our political correspondent writes:

The Issue Has Been Pending for 2 Years Now

It is no secret that the New Democracy has to face--and this time it must solve it radically--its leadership problem.

Just a few days after the undisputed growth in electoral strength of the political opposition which, when compared to the results of the national elections, had a positive gain ranging on 6.52 percentage points and the Euro-elections, of an also positive gain of 2.19 percentage points, places the Averof issue as a burning priority. The difference of 12.20 percentage points between the two parties has already been narrowed to a breathing space of only 3.53 percent after the results of last Sunday, this, however, does not clear the issue simply by itself.

For those, of course, who know the internal affairs of the New Democracy, the first time the party came to grips with the Averof issue was in December 1982 when its leader had to undergo a very serious heart operation. Since then, the issue was set on the back burner. The quick and spectacular recovery of the 75-year old political leader simply pushed the issue aside instead of solving it.

The New Democracy failed in its objective, which was to become the first party, to bring PASOK into second place and to ask the president of the Republic to hold early elections by invoking the imbalance between the popular will and the composition of the Chamber of Deputies, which resulted from the October 1981 elections. The New Democracy no longer has the "legal grounds" to request something like that from the president in view of the fact that the only thing it succeeded in doing last Sunday was to narrow the vote gap between the two parties. Thus, the leadership issue of the New Democracy was raised by itself. However, as always happens everywhere on the day after a defeat, there must be a casualty. In politics it is always the losing party's leader who is the victim. Already the first such victim was KODISO [Democratic Socialist Party] president Giangos Pasmazoglou who showed an especial political and moral sensitivity. Just 2 days

after the confirmation of the results he hastened to resign from his party's leadership and to state that he was retiring from politics, not permanently, but indefinitely.

In the case of Mr. Averof there were other factors which came into play that, in the event of a New Democracy victory, would have undoubtedly been forgotten.

The Mistake in the "All Out" Contest

The first was Mr. Averof's decision to launch the "All Out" pre-electoral slogan-challenge of confrontation. Then many within the party found serious reasons and strong arguments for disagreement. They did not succeed in dissuading him. Their main argument was that, with this slogan, Mr. Averof, that is, the New Democracy, offered PASOK the unique opportunity of bringing together the non-conservative voters with the dilemma that came as a result: either PASOK or the Right. Thus, PASOK, with the help of the New Democracy, proclaimed itself as the only solution, as the only way out in the struggle against the ND, the Right, the conservative line-up. According to his critics, Mr. Averof's slogan brought together in PASOK those "centrists" who were ready to leave it because of the policy of the past 3 years and who have not adjusted nor like being told that they voted for the Right.

Another equally serious factor was the insistence of Mr. Averof to place himself at the top of the ticket. The entire Political Bureau of the party reacted to this. No one, with the exception of Mr. Konst. Papakonstantinou, agreed with his decision to place himself at the head of the ticket and to place Mr. Giannis Mboutos, former minister of Coordination, in the second spot. Almost everyone recommended that he place Mr. Mboutos at the head of the ticket in order that the overture towards the Center be more effective.

Mr. Averof, however, evidently misled by the well-known group of his extremist deputy friends, insisted that he be the one to head the ticket. He thus ended up by giving special emphasis to the importance of the political contest of 17 June. In the end, the developments did not justify Mr. Averof's choice because the overture towards the Center failed in view of the fact that Mr. Mboutos' candidacy was largely obscured by the presence of Mr. Averof, whose extreme rightist policy had caused concern among many since his election to the party leadership, and the party had strayed from its founding principles which had been approved by the Khalkidiki congresses. It became necessary for Mr. Averof to make public declarations that the ideological principles of the ND remain unshakably the same, that his ideological position in radical liberalism has not changed, etc. Had not this turn to the Right taken place, would it be necessary for the leader of the party to be forced every so often to make statements regarding the ideological line of the party?

Thus, Mr. Averof's second choice turned out to be counterproductive in the end. Because he was unable to draw strength or come up with the argument that with his leadership the party came in first in the kind of elections that could open the way for a national political contest.

The ND's Political Bureau

The ND's Political Bureau has met twice up to now in order to examine the post-electoral course of the party. Typically, the leadership issue was not raised up to now. However, it is no secret that the dealings for the process of succession have begun. Meetings of leading members of the party take place on a daily basis while the deputies who meet bring with them the basic question: The change must take place immediately in order for the successor to have the necessary time to prepare the party to win the elections whenever they may be held. Or even to counteract whatever electoral surprise PASOK may prepare.

Unity Above All

According to excellent sources from within the New Democracy Party, there are two main bases for the processes that have been set in motion. The first principle, which is also a condition set by the party's grassroots, is to maintain the unity and coherence of the party. It is the condition that the party's founder, Mr. Konstandinos Karamanlis, has left as his political heritage. It is not by accident that the New Democracy, during its nearly 10-year existence, has succeeded in doing something that in Greece is really unique: to elect in an irreproachable and enviable way for the country, three leaders (Konstandinos Karamanlis, Georgios Rallis, Evangelos Averof). Even in the difficult transition of the New Democracy from the party in power to the opposition party, the condition of maintaining unity and cohesiveness was kept despite all the contrary predictions by PASOK.

The second condition, which as the first one is clearly set by the party's grassroots is for Mr. Averof's successor to be a political person who, on the one hand, will maintain the party unity on the rise and, on the other hand, will inspire combativeness, a democratic struggle towards the lower ranks, that is, the electorate. The Greek democratic people are fully aware that times are exceedingly difficult and the struggle is even more difficult and on many fronts. In order for the New Democracy to ensure a majority it will be necessary to neutralize not only one, but two, if not three, political adversaries who lately have repeatedly pointed out that the forces are going to be evaluated "jointly," not singly.

The toughness of the struggle, the intensity of the confrontation, the fanaticism and the stubbornness of the grassroots are, according to the evaluation of reliable political observers, additional reasons why it is not recommended that Mr. Averof, in his present physical condition and at his age, remain for too long a time in the party's leadership. Last Sunday Euro-elections results have again raised, in a most pressing manner, the Averof issue. Therefore, the issue exists and needs a solution. A solution which must not cost the New Democracy political damage.

ND Dissatisfaction Reported

Athens TA NEA in Greek 19 Jun 84 pp 1, 7

[Excerpts] A counterproductive contest has begun for Mr. Averof after his failure in the "All Out" confrontation he had sought with PASOK and with the mistakes in the policy he followed during the pre-electoral campaign.

His party officials openly criticize him for his "errors" while, at the same time, they set in motion the behind-the-scenes dealings to remove him from party leadership.

However, in the infighting that has begun among the "heirs apparent," Messrs. Mitsotakis and Stefanopoulos are being criticized because "the party did not fare too well" in their districts.

In essence, it is reported that their party:

In the Akhai Nome obtained 33.05 percent of the vote (as compared to 30.62 percent of the vote in the 1981 parliamentary elections).

In Khania it obtained 25.89 percent (as compared to 25.11 of the vote received in the 1981 parliamentary elections).

This slight increase was regarded as a failure of the two officials on their own turf.

They "Chided" Him

Mr. Averof was "chided" by officials of his party because in his statements of day before yesterday he alleged that there had been fraud in the elections and they pointed out to him that it was a mistake to make such an unsubstantiated accusation.

They also blamed their leader because he had hastened to assert, just a few hours prior to the publication of the results, that the ND would win first place in the elections.

This took place during yesterday's 4-hour long special meeting of the ND's Political Bureau. Mr. Mboutos was particularly harsh during the meeting and told him off and departed.

Mr. Mboutos criticized not only his leader, but the Evert group as well, for the policy that was followed in the electoral campaign that climaxed in the repeated incidents provoked by the shock groups of the ONNED [Youth Organization of the New Democracy].

After having stated his critical views, he left the Political Bureau meeting terribly upset.

But Mr. Averof received the fire from other officials of his party and the "elegant" reproaches of Mr. Mitsotakis.

In the end it was decided to draft a text to be made public in which:

1. No mention ("not a word") would be made about "fraud";
2. It will be stated that "a special committee was to be formed" that would devote itself to investigating the manner in which the elections were held.

Averof Reply

Athens TA NEA in Greek 21 Jun 84 p 7

[Excerpts] Yesterday, Mr. Evangelos Averof, in addressing a meeting of local committeemen of the Attiki Basin ND, claimed that the election results constitute a victory for the New Democracy.

Mr. Averof added that "with today's data, from the point of view of seats, these results in a general election would have yielded PASOK not 152 seats as they claim, but less than 150. It is certainly no longer the majority."

Mr. Averof precluded his relinquishing the ND's leadership, stating: "The rumors circulated by the newspapers of the coalition about my resigning not only do not make me nervous and bother me, but I instead feel that they honor me. It appears that I bother Mr. Papandreou. I am determined to keep on bothering him. I believe that I have been of service to the party. Together with my distinguished colleagues and with the help of all of you we succeeded in reaching a high level of organization and success, totally adapted to our needs as the opposition party, which is getting ready to assume the responsibilities of power."

Voter's Letter Demands Resignation

Athens POLITIKA THEMATA in Greek 15-21 Jun 84 p 15

[Excerpts] The results of the Euro-elections are favorable for the ND and not so propitious for PASOK. It shows the inclination of the electorate. It also shows that, in the next national elections, it will be possible to end, with the help of the people, the arrogant administration of the "Movement" which is hurting the country.

However, this result could easily have been more favorable and the developments could be hastened. It could have been that the results obtained, the percentages of 41.5 and 38, be exactly the opposite: 41.5 for the ND and 38 for PASOK. At the very least. If the president of the ND had not made certain poor choices among which the most unfortunate, in the opinion of the writer, are:

- a. His self-appointment to head the Euro-electoral ticket of the ND--despite the recommendations and proposals to the contrary by even those most favorably disposed toward him;
- b. The not having placed in eligible spots on the ticket (but even in the other ones) one or two candidates who had been, until recently in the centrist parties, that is, who had not voted for the ND in the 1981 elections.

With these and other choices (but also with the excessive visibility of his not too attractive photograph--especially the latest one) they discouraged and kept away a large number of centrist voters deeply disillusioned by PASOK, who were ready to be captured by the ND, had the proper (for them) preparation been made.

It was known (and acceptable) by all that the extent of the ND's victory would be proportional to the ability to draw a number of voters from the "centrist pool." With his unfortunate choices, Mr. Averof neutralized many other significant efforts made to that effect and he also neutralized the great (for the ND) advantage of Mr. Mavros' placement at the head of the opposing ticket...

Clarification: Mr. Averof and Mr. Moutos as well as the majority of the ND's Political Bureau members come from a centrist background. They joined the party founded by Kon. Karamanlis in earlier times prior to 1981. However, many centrist citizens, who in 1981 voted for PASOK, could have been induced by the candidates' example who (like themselves) had not voted for the ND in 1981. It is not enough to claim "We are the party of the centrists." It must actually be demonstrated.

Good or bad (bad in the writer's opinion), Mr. E. Averof has been identified with what PASOK and the KKE call the "Right": An imaginary, unrelenting and full of evil "party of the oligarchy and the monopolies" which, of course, has no relation whatsoever with the ND and the policy that its founder, and later his successor, Mr. G. Rallis, followed for 7 years after the dictatorship. Nevertheless, the almost professional propaganda and systematic brainwashing have achieved their purpose, up to a point--at least with a significant number of centrist voters, Mr. Averof did not have the time to change the minds of these invaluable voters and to demonstrate the deceitfulness of such tactics. In situations like that facts are not as important as the circulating opinion. It was necessary, therefore, to control himself and not to project his personality. He harmed the party and the entire effort.

Now, the greatest service to the party would be for him to calmly and quietly resign. His predecessor has given the example (with so much democratic sensitivity and without being as personally responsible). The next elections, and the electoral campaign as well, must take place with a new leadership in the ND and by maintaining unity. The not having achieved success to the degree that it could have been achieved (and which was expected) is a failure by the leader. In any event, stepping down will not be total for Mr. Averof. He will have the possibility of keeping his seat in the European Parliament and to work for the political union of Greece.

The change of leadership in the ND must take place right now. The longer it takes, the more difficult it will become. The fact that PASOK "prefers" having Mr. E. Averof as the ND president shows him what he must do. What he should have already done...

Unfortunately events have shown that "Averof does not represent strength..."

9731
CS0: 3521/281

POLITICAL

GREECE

BRIEFS

ARABIC NEWSCAST ON TV--Jidda, June 21, (SPA)--The Greek Television will introduce a daily Arabic news bulletin through its Channel One from next week, as part of the Greek Government's efforts to reinforce ties with the Arab world, a Greek embassy spokesman said here last night. The spokesman said the Greek broadcasting stations now transmit Arabic radio programmes from 1600 hrs (Greek time) to 1650 hrs [1300-1350 GMT] as well as from 1400 hours to 1450 hrs [1100-1150 GMT]. [Text] [LD211600 Riyadh SPA in English 2100 GMT 21 Jun 84]

CSO: 3500/8

RELATIONS WITH USSR TERMED 'OPEN,' 'FRUITFUL'

Lisbon DIARIO DE NOTICIAS in Portuguese 25 Jun 84 pp 7-8

[Excerpts] Ten years ago, Portugal and the Soviet Union established diplomatic relations on the embassy level. What is the status of those relations at the end of a decade? The recent visit to the USSR by a Portuguese parliamentary delegation was an opportunity to ask this question of the president of the Assembly of the Republic, Tito de Morais, PSD [Social Democratic Party] Deputy Malato Correia and the Novosti agency's delegation in Lisbon.

Tito de Morais: The existing differences are readily surmountable when there is a real intention of contributing to the clearing up of the international situation and to the expansion of bilateral relations, avoiding temptations toward the "exporting of ideologies."

Diplomatic relations with the USSR were established in June 1974, and since that time several exchange visits have been made between officials and delegations from both countries.

This exchange of visits does not mean that there have not been periods in which the relations between the two countries have been obscured by misunderstandings of various kinds, but, at present, I think that both sides are showing a sincere desire to surmount those problems.

The visit to the USSR by the parliamentary delegation can only be associated with the aim of strengthening the relations between the two institutions through direct understanding.

True, we have two different types of parliaments, not only in terms of their establishment but also in terms of their power and operation. It should not be considered surprising that we consider our system the most suitable one for progress and social justice in our country.

The Differences Are Surmountable

Our visit and the extremely cordial manner in which we were received by the highest authorities of the Soviet Union prove that the existing differences

can be readily surmounted when there is a real intention of contributing to the clearing up of the international situation and to the expansion of cultural, commercial and other relations between the two countries, avoiding temptations toward the "exporting" of ideologies.

I sincerely believe that the goals set by both for the results of this visit have been attained completely and that the path is open for their progress.

From the exchanges of views which took place, I can conclude that there is a sincere desire to clear up international relations.

However, the responsibilities of each country are quite different. Whereas, for our part, we cannot go beyond action that I would term conciliatory, calling attention to the dreadful potential consequences of intransigent positions, the great powers can (I would say should) act more concretely, making an effort to create an atmosphere of clarification that will overcome the lack of confidence that is evident in the relations between the governments and that in my opinion lies at the root of the present difficulties.

In terms of bilateral relations, I am convinced that our trip to the USSR has contributed to the intensification of the economic cooperation between the two countries and to the reestablishment of parliamentary relations based on good understanding.

The delegation from the Assembly of the Republic included representatives of the leading Portuguese political forces, which enabled us to hold a very open dialog with the Soviet parliamentarians, in which we clearly expressed our views on all the problems discussed, which did not always coincide with those of our interlocutors. But our main mission, if I may say so, was to cooperate with our country's overall policy, aimed at maintaining and reinforcing the amicable relations with all other countries, in accordance with the Constitution of the Republic; and that was achieved to a large extent.

Malato Correia *: At the behest of the Portuguese authorities, the USSR was taboo for us over a period of 40 years. Today, it is still a taboo for the West, but at the behest of the Soviet authorities.

On 17 May, a delegation from the Portuguese Assembly of the Republic traveling to the Soviet Union at the invitation of its authorities landed at Sheremet'ev-2 airport in Moscow.

Included in this parliamentary mission, in addition to President Tito de Morais, were the chairman of the Assembly of the Republic's Foreign Affairs Commission, and deputies from the Socialist, Social Democratic, Portuguese Communist and Social Democratic Center Parties, and the Union of the Left for Socialist Democracy.

*Vice-president of the PSD parliamentary group

Some members of the group, a few, had already had occasion to visit the Soviet Union. For most of them, including myself, it was the first contact with a country that is structurally different and controversial from all stand-points.

Receiving the Portuguese parliamentary mission were the Messrs Vladimir Terebilov, deputy of the Supreme Soviet and president of the USSR Supreme Court; Aleksandr Il'in, second secretary of the first European department of the Ministry of Foreign Affairs; Georgiy Dadyaniy, third secretary of the first European department of the Ministry of Foreign Affairs; Viktor Ksenofontov, an official from the technical-administrative department of the Presidium of the Supreme Soviet; and Valeriy Kuzin, a consultant from the foreign relations department of the Presidium of the Supreme Soviet; who accompanied us during the entire stay in the USSR; as well as the Portuguese ambassador to the Soviet Union, Mr Sacadura Cabral.

It should be noted that the assigning of Terebilov to accompany the Portuguese group attests to the importance that the Soviets wanted to attach to this visit which, in fact, represented a Portuguese organ of sovereignty and was headed by the state's second-ranking personage.

Kindness and Courtesy

From the outset, it must be truthfully said, there was a constant concern for showing the greatest kindness and courtesy toward the Portuguese guests. However, it should not be thought that it is impossible for the Soviets to reconcile kindness with a rather noticeable inflexibility regarding the slightest details.

Let us return to the program for the visit: The Portuguese delegation traveled to Moscow, Tbilisi, capital of the Soviet Republic of Georgia, and Leningrad, the second-ranking city in the Russian Republic, and unquestionably one of the most beautiful cities in the world.

There was a series of political contacts in each of these cities. In Tbilisi, it was with the first secretary of the Communist Party of the Georgian SSR; in Leningrad, there were talks with the president of the Executive Committee of the Urban Soviet; and in Moscow, there was a 3-hour meeting with the presidents of the chambers, and with presidents and members of the standing committees of the Supreme Soviet Chambers of the USSR.

The round of political meetings ended with a meeting at the Kremlin with the first vice-president of the Supreme Soviet Presidium, Mr Kuznyetsov, who, for nearly half an hour, explained to us the Soviet position toward the difficult international situation that is being experienced.

Useful Contacts

In any event, I consider the contacts which occurred to have been useful. In the concrete instance of the Soviet Union and Portugal, there are mutual interests that should be explored, such as cultural and economic relations. To be sure, the parliamentary delegation constituted another step in this direction, without reneging on the principles that shape the internal and external policy of Portugal, as the joint communique published at the conclusion of the visit notes.

At the behest of the Portuguese authorities, the Soviet Union was taboo for us over a period of 40 years. Today, it is still a taboo for the West, but at the behest of the Soviet authorities.

2909

CSO: 3542/73

POSITIVE COMMENTS ON CREATION OF NEW PARTY

Meaning of Pluralist Democracy

Lisbon O JORNAL in Portuguese 21 Jun 84 p 10

[Article by Francisco Salgada Zenha]

[Text] "To fly over the abyss, one must have wings." (Nietzsche)

1. Why does disenchantment prevail in Portuguese political life? There has been a constant series of statements from the most varied quarters regarding the method for reforming or regenerating it. And that debate, in which a sizable number of legal experts are the leaders, is fast becoming a futile discussion in which preconceptions that are by now traditional with us predominate. From the hazy preference for a chemically pure, omnipotent, omniscient assembly system to the defense of an American or De Gaulle-type presidentialism, one finds a little of everything, in view of the apathy and general lack of credibility.

The truth, however, is simple. The success of a democracy does not depend on blind adherence to an abstract typology, but rather on the degree of social consensus that the concrete operation of the democratic institutions receives. Rather than multiply to the point of surfeit the production of laws, decrees, regulations, administrative directives and orders, without overlooking the constitutional revisions (made or yet to be made), what is of essential concern is that the practical, concrete policy be sensed by the people as the pulse of their own democracy. If, on the other hand, it is sensed as an entity alien to them, something will have to change. But that "something" can never consist merely of the publication of one or more laws, for constitutional revision or not, even if they should touch upon such important areas as regionalization, democratic decentralization, powers of the organs of sovereignty, the electoral system and the referendum.

Let us rid ourselves right now of the childish fantasy that public freedoms will run a risk if the democratic system is improved. Obviously, constitutional stability must be preserved, but that cannot impede the progress of the democratic institutions themselves. In any event, and this is what I want to stress, if the same political practice is retained, it is only natural that the laws, however improved they may be, per se, will be of little use.

Divorce Between Democracy and People

2. One of the tragedies of the First Republic, which contributed largely to its failure, was the progressive divorce that was created between democracy, as it was practiced, and the people. Between the political class (bound to an inadequate French or Parisian-inspired assembly system) and the working class (which failed to find therein the place to which it was entitled, and hence quickly became converted to anarchism and anarcho-syndicalism), a deep hostility soon became entrenched, which to a large extent facilitated the fall of the First Republic.

I don't know why, but there is something now that reminds me of the period experienced from 1918 to 1926; not because I am thinking of the collapse of democracy that occurred on 28 May, but because the divorce between the democracy as practiced and the democracy that is desired is becoming increasingly deepseated. There is no great difference between the current denunciations against the Communists and those heard during the 1920's against the anarchists and anarcho-syndicalists. And what has been termed parliamentary cretinism but which, more moderately, I would call parliamentary egocentrism, in other words, the illusion that a majority in Parliament makes anything possible or legitimate, continues to spread among many good souls who might be said to suffer from the worst kind of ignorance, namely, that of those who never learn anything.

All this has been exacerbated by the adoption, whether witting or not, of types of action in effect during the deposed regime, which we are shocked to find gradually being revived.

The strange notion of attempting to achieve "harmonization" or a social "pact" through a mini-Corporate Chamber with governmental chairmanship would be the delight of any corporations minister of our time. (The trouble lies in the fact that the times are not the same now....)

The proposal for an "internal security law" that was recently submitted by the government in the Assembly of the Republic, as we have learned from some features disclosed by the press, seems, disturbingly, to downgrade the public freedoms guaranteed by our Constitution and by the European Human Rights Convention approved by our Parliament. In particular, it seems disreputable to republish now the decree on the "Public Security Council" * of Dr Cavaleiro de Ferreira (published in 1949, shortly after the first presidential elections in which an anti-Salazarist, Gen Norton de Matos, ran as a candidate), with its "administrative" security measures that later evolved into what we all know. Judging from what we read, we must reach the conclusion that there is nothing new under the sun. The second edition may have been updated and "improved." Some members of the present government, albeit few, rebelled against Dr Cavaleiro de Ferreira's decree-law at the time. Now, however, if what the press has revealed to us is accurate, they run the risk of seeming to be thinking of themselves.

* Decree-Law 37,447, of 13 June 1949. See on this topic "Security Measures and Security Process," by engineer Antonio dos Santos Lucas Brotas, Lisbon, 1957.

The Prospect of New Parties

3. Everywhere there is a demand for a national design, but no one has yet disclosed what it might or should be; although there seem to be some personal designs, with a national quality that is not always perceptible, actively brewing. An effective, beneficial, national design may exist (it certainly does!), or may be found in the future (it will certainly be found!). However, it will never be translated into national progress if the political practice of our democracy does not receive a national consensus distinguishing the realities in politics from the illusions of some of its leaders.

Our democracy is pluralist; that is, based on diversity of opinions and the permanent existence of alternatives (otherwise, obviously, it would be monist in nature, not pluralist). This is still not enough. The operation of the democratic institutions must obtain a major social consensus, not just from those who support the government, but also from those opposed to it. And in a democracy there can be no ghettos, pariahs or lepers. The democracy is for all Portuguese, not just a few.

I am amazed to observe some people wincing over the prospect of the possible creation of new political parties, particularly if they were to receive the support of Gen Ramalho Eanes, when he finishes his presidential term, or that of other April military men. Whether or not those new political parties (should they appear) will achieve an entrenchment among the people is up to the Portuguese people to decide, through their vote, and not some censorship commission preceding the national statement regarding parties. There are some political parties which came into existence long after 25 April, such as UEDS [Leftist Union for Socialist Democracy] and ASDI [Independent Social Democratic Association], with which we Socialists became allied, not even concerning ourselves with the fact that one of them was formed in a dispute with the PS [Socialist Party]. Why should we be unable, in the future, to ally ourselves with new political parties of which military of April, with whom we so often created a common front in our country's recent history, are members?

The democracy belongs to the entire Portuguese people, not just to the existing political parties. Anyone who does not understand this will never succeed in transforming any national design (much less a personal design!) into national progress.

Cunhal Approval

Lisbon O JORNAL in Portuguese 21 Jun 84 p 12

[Text] Alvaro Cunhal has just issued a slogan for before vacations: overthrow the government, back a new party and struggle against sectarianism.

Last weekend (16 and 17 June), the Communists from the Lisbon district met in the capital for their first assembly. The ORL (Lisbon Regional Organization) is the force which is "politically most influential" in the Lisbon

district, with over 25 percent of the votes in the legislative elections and more than 30 percent in the local ones. Cunhal, who spoke at the closing of the assembly, indicated as priorities for action (over the short term) the continuation of the struggle for the downfall of this government, the virtual inevitability of the formation of a new party and the need to impede sectarianism.

According to the PCP [Portuguese Communist Party] secretary general, it is necessary to overthrow Mario Soares, "the well-fed prime minister." In his view, Mota Pinto is "clearly collapsing, and has already ceased to be a political leader, becoming a joke." Also according to Cunhal, the "government is totally mired in discreditation," having appointed for its minister of quality of life Sousa Tavares, "an individual who is the embodiment of political pollution and pornography."

From One Provocation to Another

Shortly before they departed for vacation, Cunhal alerted the members of his party to what he termed "provocation," at the same time warning them of what he regards as an offensive, reflected in a "series of measures which reveal the plan for rapidly putting a state of a totalitarian type into operation." By way of example, he cited the "formation and growing intervention of special repressive forces," the "creation of political intelligence services" and the "citizen's identity document" as well as the "internal security bill, the provisions of which contain indelible features of PIDE [International and State Defense Police] and fascism."

According to Cunhal, if the "already notorious internal security bill" is approved in the Assembly of the Republic, "this law would institutionalize house searches, the violation of correspondence, telephone bugging, surveillance of individuals, arrests without guilt established, a ban on leaving the country and the prohibition, suspension or dissolution of demonstrations and meetings at the decision of the minister of internal administration."

In conclusion, Alvaro Cunhal expressed the view that, "It may be claimed that Dr Mario Soares has lost not only the sense of his own dignity, but also (and this is even more serious) the sense of the dignity of the office that he holds."

Cunhal's diatribe, more violent than ever, went further, accusing Mario Soares of being a provocateur. Issuing an "alert to provocation," he cautioned: "Lying, fabrication, gross distortion of facts, slander, defamation and parafascist theorization have become components of the political action of the PS [Socialist Party]-PSD [Social Democratic Party] government (...). The prime minister's hatred for the PCP is expressed with such excess and invective that it must be agreed that such rage stems not only from the strength of the PCP, the firm opposition of the PCP and the fact that the PCP is a major force of resistance to reaction and the great organizer and

instigator of the struggle that will lead to an alternative; it must be said that this rage is also a result of the contrast between his own career (that of the prime minister) and the PCP's consistent struggle."

There are several types of "provocation" defined by Cunhal, such as the "prime minister's persistent attempt to associate the PCP's struggle and the struggle of the workers and people with the terrorist attacks of the so-called FP-25 [25 April Popular Forces], which also constitute criminal provocations, thereby serving the antidemocratic, repressive purposes and plans of the PS-PSD government, making it legitimate to ask whether it is only a coincidence or whether there is any connection associated with one and the same strategy."

Lack of Credibility in PS

Alvaro Cunhal is pursuing a democratic alternative. Now, however, from a perspective different from that expressed to his militants in the last elections, he does not think that it will be possible with the Socialist Party at present. He stated, verbatim: "Despite the respect that we have for Socialists who are faithful to their ideology and to their party's program, it must be said that, for a democratic alternative in the concrete situation that we are currently experiencing, we must unquestionably count on many Socialists, but we must not count on the PS, with its official policy."

Nevertheless, in the change that has taken place in the PCP's orientation during recent months, "the analysis of the situation has led us to the conclusion that a positive change in the party situation is not only desirable, but possible and virtually inevitable."

Against Sectarianism

Finally, Cunhal left his slogan: "Let us overcome sectarianism wherever it appears." A minute before, he had remarked: "It is time for rapprochement, for understanding, for common or converging action on the part of all democrats and patriots."

For this purpose, so that this appeal from Cunhal to his militants may gain an actual expression, it is also necessary "for those democrats and patriots who, although realizing that the workers and popular movement is the essential basis and deciding force for a dynamics of alternative, nevertheless fear, without any reason, that they will be overcome by the masses, to surmount their hesitation."

APU in Lisbon

This first assembly of the Lisbon Regional Organization gives a rather accurate characterization of the city. One can infer from it, according to Jose Casanova, leader of the DORL [Lisbon Region Organization Directorate] the importance to the PCP of the district whose capital is also the nation's capital. It has nearly 2 million residents, with an active population of

900,000. The PCP has over 52,000 members in the district, set up in 3,200 organizations. APU [United People's Alliance] manages 42 percent of the district's area and is the majority force in five of the 15 chambers and in 60 of the 190 parishes.

Lisbon is the giant leader of this country; Residing in the district are 70,000 workers in transportation, 43 percent of all the workers in the public sector, 34,000 bank workers, 7,000 insurance workers, 35 percent of the national total of workers in public office for the Central Administration of Health Workers, a sizable percentage of the commercial, office and hotel workers and nearly 50 percent of all the country's intellectuals.

2909

CSO: 3542/69

MAD MEETING DISCUSSES POLITICAL POWER ISSUES

Lisbon DIARIO DE NOTICIAS in Portuguese 24 Jun 84 p 4

[Text] During the course of a debate sponsored by the Movement for the Study of Democracy (MAD), Maria de Lurdes Pintasilgo remarked that "a different understanding of power must be demanded of the parties," because at present it is not "based on competence but rather on personal ploys."

At the colloquium, which took place at the Advanced School of Fine Arts in Porto, Lt Col Melo Antunes, Dr Rui Namorado and engineer Manuel dos Santos also participated, with Prof Nuno Gide acting as moderator.

After asserting that "democracy which is not linked with the goals of the society runs serious risks," Maria de Lurdes Pintasilgo claimed: "The crisis in the regime is of a structural nature, and the lack of essential coordinates has been noted since 1982." She upheld the introduction of "direct democracy," which, although "called for in the Constitution, has never been applied as a means of expanding the concept of social partnership." Stressing the fact that power "is essentially a cultural act," the former prime minister remarked: "It is time to confer upon the regime its own dignity."

Melo Antunes, for his part, expressed the view that Portugal "is undergoing a period of ideological crisis" rather than "crisis ideology." He gave a reminder that "the Portuguese politicians attribute the national crisis to the world crisis," claiming that "there are no solutions." According to Melo Antunes, "they are hiding the truth." He also added: "There is an inadequacy in the Portuguese political system to understand the people's aspirations"; also pointing out that, "The political parties which were organized after 25 April are out of step with the Portuguese reality."

In his comments, Rui Namorado upheld a new electoral system that would be "completely proportional." According to the speaker, "If we want to preserve the democratic regime, the votes must represent mandates." He rejected the uninominal system which, in his view, is unconstitutional. He also spoke about the crisis which, from his standpoint, "is another spurious crisis disguising the inviability of the present system."

Rui Namorado later questioned whether the cause of the crisis was a result of the "poor coordination among the organs of sovereignty" or whether it originated in the current gamut of parties; nevertheless concluding that, in the trade union forces, "one notes an inability to create groups to exert pressure on the political authorities."

Manuel dos Santos also discussed the crisis, which he claimed to "be one of ideas," maintaining that it can be surmounted only "when progress is made with the decentralization." He expressed the view that the Socialist Party "is centralizing, making it extremely difficult to have the ability to submit progressive proposals." He labeled the present model of development "wasteful, prolonging the agony."

In conclusion, he declared: "A new model of development is needed, which will attach value to the citizen and to work, and make possible a new hope and the creation of a new mentality." According to Manuel dos Santos, the electoral law should make it possible for independent citizens to run as candidates in the municipalities, as is the case in the parishes.

2909

CSO: 3542/73

FUP DEMANDS REOPENING OF PARTY HEADQUARTERS

Lisbon DIARIO DE NOTICIAS in Portuguese 25 Jun 84 p 20

[Excerpts] A demand has been submitted by the FUP [Popular Unity Front] to the Constitutional Court aimed at the reopening "as quickly as possible" of the party's headquarters which were closed by the police. The announcement was made yesterday at a secret press conference described by ANOP [Portuguese News Agency] to which DN, nevertheless, did not have access. The promoters of the meeting, identified with FUP, categorized the FP [Popular Forces] as a "leftist organization with which the Popular Unity Front has no political or organizational association yet."

The press conference was held in an apartment, somewhere in the vicinity of Lisbon and, as the promoters stated, it was called to "enlighten the members and sympathizers of the FUP, lacking access to information, on what is really happening with the party after last week's police raid." It was claimed that the position regarding FP-25 [25 April Popular Forces] was based on press information, and because the targets aimed at by this clandestine organization "have never been the leftist workers and politicians, and no one has taken the trouble to explain these matters," as they declared.

Jose Gomes, up until now the top-ranking official of FUP in Alentejo, was the only one of the three party members present at the press conference to be identified.

The FUP leader mentioned the fear of being arrested "at any moment," inasmuch as "nearly all the regional officials have been arrested." Of the FUP Permanent Secretariat members, only Mouta Liz is free, which is why, according to Jose Gomez, it was necessary to take steps to replace the members who are being held.

Jose Gomes commented: "The authorities want us to succumb to clandestine status, but that will not happen. We are a legalized party, and we shall continue as such."

The reporters present at the press conference met on a certain site in Lisbon, where they left in cars of FUP members for the house where it was held.

At the press conference itself, the reporters were told that, halfway on the journey, a change of vehicles had to be made, which occurred, because "the police were guarding the car that was to have been used."

Jose Gomez cited the fact that the searches of FUP headquarters and the arrests of over 40 persons, some of whom, he said, "have been dissociated from politics for several years," had coincided with the absence of the prime minister from the country and also the lack of information on the operation on the part of the president of the republic.

He noted: "Obviously, this does not exempt Eanes from the political responsibility for Otelo's imprisonment and for the searches of the headquarters of a legal party."

2909

CSO: 3542/73

UDP TO FOLLOW 'STRUGGLE' POLICY

Lisbon DIARIO DE NOTICIAS in Portuguese 2 Jul 84 p 4

[Text] The National Council of the Popular Democratic Union (UDP), whose plenary session convened over the weekend in Lisbon, considers the struggle against the approval of the government's proposed law on internal security, described by that party as a "fascist law, worse than that of Salazar in 1949," as a priority task for all democrats, workers and antifascists.

This comment was made yesterday by UDP leaders at a press conference, at which they gave an account of the conclusions of the plenary meeting, which debated the current national situation and determined a plan for political action.

Vehemently criticizing the entire policy carried out to date by the government coalition, UDP adds: "During the past 2 weeks, Mario Soares has culminated a year of dreadful government with measures that are no less dreadful: a new agreement with the IMF; two more loans abroad, one of them for weapons alone; the guarantee of entry into the EEC, in which there are 14 million unemployed, from which our emigrants have been forced to return, where company after company has shut down and where repression of the workers is breaking out again; the fascist internal security law; the PIDE [International and State Defense Police] style operation carried out on a legal party; and the imprisonment of Otelo Saraiva de Carvalho."

Protesting "against Otelo's imprisonment, against the massive amounts of arbitrary acts, imprisonments and tortures, against the PIDE-type action staged by the government to intimidate the people and attempt to prevent resistance to the disaster caused by the foreign debt," UDP defined as its immediate program "the struggle in defense of political and labor union freedoms, with the planning of a general strike against hunger and unemployment, the demand for abrogation of the agreements with the IMF and the stopping of the burden of the foreign debt," in addition to the aforementioned struggle against the internal security law.

2909

CSO: 3542/73

IDEOLOGICAL FLUX, NATO REFERENDUM POSE PSOE CRISIS

Madrid DIARIO 16 in Spanish 29 Jun 84 p 2

[Article by Carlos Alberto Montaner]

[Text] In 1975, when Franco, after great vacillation, opted to die, Felipe Gonzalez was an anti-Yankee, neutralist, Third World-oriented Marxist. It was the era of his glorious adolescence, with Che's poster in the bathroom and the spine tingling as soon as the "Internationale" began to be played.

Then the transformation came, little by little. First, he grew the ideological mustache and renounced Marxism in the usual manner: by relegating it to a mere method (one of many) for analyzing reality. Later, he gave up the anti-North Americanism, proposing a very odd necrological alternative: He claimed: "It would be better to die from a knife wound in the Chicago subway than to live in Moscow." Even Ronald Reagan would not have dared to say that.

Some time thereafter, under the effect of another hormonal onslaught, in the presence of a group of business owners, like one who belongs to the anonymous capitalists, he proclaimed his conviction that the market economy (pure, hard capitalism) was far superior to socialism as a means of production and as a formula for creating wealth. A short time earlier, he had expressed his reservations about the socialist temptations of some of his colleagues: "Nationalizing is for reactionaries," he had declared, without a tremor in his deep voice of a grown hominid with a heavy growth of hair.

Now, as a final chapter in his incomparable maturity, he has given up every trace of neutralism and is preparing to request Spain's remaining in NATO and full participation in the European Economic Community, with the hope of finally linking Spain with the Western adventure of the First World.

There is no doubt that Felipe has, meanwhile, become a man on us. And that has required wisdom, an ability to reflect and a unique critical spirit. It would have been easier to continue repeating pleasant foolishness, like Tierno Galvan; but it was not fitting to arrive at the enormous responsibilities of Moncloa with his little head filled with adolescent superstitions. He had to grow.

The problems is that there is no assurance that the party rank and file have matured at the precipitous pace of their leader. Nor can it be guaranteed that other leaders (Tierno, Castellano, Gomez Llorente) will not use Felipe's ideological shift as a ruse to ask for his head.

Understandably, on his rise to the position of the party's secretary general, and later to the presidency of the government, Gonzalez has had to climb on the heads of other aspirants, crushing a considerable amount of self-esteem. This is always the case; and always, when the occasion arises, the displaced leader shifts the blame to the one who brought him down.

This will happen during the debate on NATO; that is the strategic place for setting a trap for Gonzalez. His enemies in the party know that the Socialist masses (who do not understand a word about defense) don't want to remain in NATO; whereas Felipe, with a minimal sense of responsibility and the volume of information that he has available now, cannot do anything other than request the vote to remain in the Atlantic Alliance.

That debate could cause the party to erupt, or could at least weaken it considerably, to the point of putting it in danger of a defeat in the 1986 elections. A defeat in the referendum on NATO or a very close victory would cause a sizable loss of legitimacy for Gonzalez' leadership, or even a split by its left, the "scenario" of which Gerardo Iglesias' distressed Eurocommunists are dreaming.

Goethe said that reaching adulthood was almost always painful. Now, Felipe Gonzalez may understand quite clearly what the German meant.

2909

CSO: 3548/285

TERCUMAN SURVEYS TAX POLICY, POLITICAL PARTISANSHIP

Istanbul TERCUMAN in Turkish 12 Jun 84 pp 1, 10

[Text] Ankara (TERCUMAN) -- Something new in our economic and social life, the tax rebate being called "living with receipts," is intended to provide wage-earners a certain amount of income, while also raising the state's tax revenues through a self-regulated receipt system. It requires a good deal of organization both as to who is to give receipts and who is to receive tax rebates. Receipts are supposed to be given by those obligated to pay Income Taxes, and recipients of the tax rebate are supposed to be wage earners, salaried personnel or retirees. One can only think that, with the pervasiveness of the tax rebate, it is bound to have an impact on social development.

The results of TERCUMAN's public opinion poll tend to confirm this theory. Reaction to the tax rebate was generally positive. Results of the survey follow.

What Do You Think of the Receipt-Tax Rebate System?

Reply	Number	%
No Opinion	781	34
Approve	1,105	48
Disapprove	414	18
Total	2,300	100

The first notable result in the table is that the percentage of those who disapprove "living with receipts" is as low as 18 percent. Approvals were 48 percent, but those with no opinion reflect a not insignificant 34 percent. This 34 percent, however, is a normal result since the tax rebate is restricted by the matter of receipts as well as to particular recipients.

Examination of the survey results by educational status of the survey participants reveals that a higher percentage of high school and university graduates approve the receipt system.

Response By Educational Status

Reply	High School-University		Primary-Middle School	
	Number	%	Number	%
No Opinion	253	23	528	44
Approve	736	67	369	31
Disapprove	115	10	299	25
Total	1,104	100	1,196	100

It is interesting that those with no opinion have a higher percentage among primary and middle school finishers than high school and university graduates. Meanwhile, 67 percent of high school and university graduates approve and 31 percent of primary and middle school graduates approve, while 25 percent of primary and middle school graduates disapprove and only 10 percent of high school and university graduates disapprove.

Another interesting result is that more women than men were interested in the system and approved it.

Response By Sex

Reply	Women	%	Men	%
No Opinion	94	27	687	35
Approve	230	67	875	45
Disapprove	21	6	393	20
Total	345	100	1,955	100

One reason for the greater interest by women than men is that, as confirmed by an earlier survey, women are worse affected by the high cost of living. Another reason is that 229 (66 %) of the 345 women in the TERCUMAN poll were high school or university graduates.

Participants in the poll represent as wide a variety of occupations as civil servant, worker, tradesman, industrialist, merchant, attorney, doctor, auto mechanic, barber, truck or taxi driver, newsstand operator, fruit vendor, grocer, shoe repairman, electrician and shipper. Occupations were divided into three groups for purposes of the survey in order to get the reaction of various segments of society to the receipt system. They were: "those engaged in sales who are obligated by law to give receipts," "those whose business falls outside the scope of the tax rebate and are not obligated to turn in receipts and who cannot get the tax rebate even if they have the receipts," that is, those to whom the tax rebate does not apply, and the third category of those having the right to receive a tax rebate in exchange for receipts. Attitudes of this third group toward the tax rebate vary widely.

Response By Occupation

Reply	Receipt Supplier		Eligible for Rebate		Nonapplicable	
	Number	%	Number	%	Number	%
No Opinion	271	35	183	23	327	42
Approve	255	23	694	63	156	14
Disapprove	323	78	45	11	46	11

Of those with no opinion on the tax rebate, 35 percent consist of people required by their occupations to give receipts; 23 percent, of those eligible for the tax rebate; and 42 percent, of those to whom neither the issuing of receipts nor receiving rebates applies (such as students, barbers, dry cleaners and shoe repairmen).

Lack of interest on the part of those ineligible for the tax rebate is not surprising. However, the lack of interest by receipt suppliers and rebate eligibles is also high. It is conceivable that this has to do with "spontaneous urbanization."

The results show that 63 percent of those eligible for tax rebates approve the system, and 78 percent of those who supply the receipts disapprove. Disapproval is shown by 23 percent of receipt suppliers and 4 percent of those eligible for rebates. While 42 percent of those to whom neither receipts nor rebates applies had no opinion, the fact that 14 percent of them approved the system and 4 percent disapproved indicates a tendency confirming that the tax rebate "is taking."

Survey participants were also asked "whether the Ozal government is engaging in partisanship." The heavier reaction came down on the side that it is. Although the Ozal government has not made a great many appointments, citizens in our country deal with ruling party elements -- owing to inadequate development of civilian buffer agencies -- in the conduct of their relations with the state and local administrations as a result of the pervasiveness of the "spontaneous society." Thus the ruling party becomes the "functionary" in the conduct of relations with the institutions. As a result, the party concept takes on importance in daily life.

Responses to the question on Ozal government partisanship follow:

Is the Ozal Government Engaging in Partisanship?

Reply	Number	%
There is more partisanship than before	184	8
No more than any government	1,126	49
No partisanship	966	42
No opinion	24	1
Total	2,300	100

At 8 percent, there was a very low percentage of those who said that the Ozal government engaged in more partisanship than previous governments. While 49 percent said the government was no more partisan than any other government, 42 percent said it was not partisan.

The results indicate no significant difference between men and women participating in the survey. The tabulation according to educational status, however, showed that high school and university graduates see the Ozal government as more partisan.

Response by Educational Status

Reply	High School-University		Primary-Middle School	
	Number	%	Number	%
More than before	76	7	108	9
Same as before	610	55	516	43
No partisanship	411	37	555	46
No opinion	7	1	17	2
Total	1,104	100	1,196	100

Nine percent of primary and middle school finishers said the Ozal government was more partisan than previous governments. With only 2 points difference between this and the percentage of high school and university graduates, it does not mean a lot. While the total percentage of high school and university graduates who think partisanship is the same or more than before rises to 62 percent, this total is only 52 percent for primary and middle school finishers, however. Likewise, 37 percent of high school and university graduates think the Ozal government is not partisan, while the figure rises to 46 percent for primary and middle school finishers. This may be attributable in part to the press. Criticisms of what centralization of economic management entails emerge in such concerns as the "creation of privileged companies" in exportation.

The general results of TERCUMAN's public opinion poll in the sixth month of the Ozal government's administration may be summed up in this way: "Those who believe the Ozal government will succeed and who think it should be given a chance for a while longer, for the most part, favor what the government is trying to do. When asked whether the government should remain in office, a higher percentage of respondents replied in the affirmative because they did not approve early elections or party coalitions in parliament. This indicates that approval of Ozal's policy on the charts will run parallel to improvement of the economy throughout his administration."

8349

CSO: 3554/251

STATE PROSECUTOR CALLS FOR CORRECT WAY PARTY CLOSURE

Istanbul CUMHURIYET in Turkish 12 Jun 84 p 11

[Text] Ankara (CUMHURIYET BUREAU) -- The Republic Prosecutor has called for closure of the Correct Way Party [CWP] under articles 96/2 and 97 of the Political Parties Law. The two articles prohibit political parties which are continuations of banned political parties and opposition by speech and deed to National Security Council [NSC] resolutions and bulletins.

The basic opinion in the case, written by Chief Prosecutor Firuz Cilingiroglu, speaks of the use of criminal proceedings. The opinion is based on extra-indictment evidence, evidence supplied later for placement in the file and data added to the party's defense presentation. It dwells at length on matter presented in the defense and supplementary defense briefs and stresses the need for political parties, which are an essential element of democracy, to uphold first of all the Constitution and the law, emphasizing that the law cannot be disregarded on the basis of opinion.

In addition, it evaluates and comments at length on the contested CWP's actions, suits brought against its administrators, rallies, publications and the party's activities in general, as well as the nature of NSC Resolution No 79. The basic opinion also says that under the political parties law, when there is a question of public order, true facts not superficial facts must be sought and that the true facts will win out. In discussing the task of the Supreme Electoral Council, it notes that the function of this council could not be described merely as giving permission to participate in elections. It says that the case at issue had now become what is termed in criminal law "maruf ve meshur vaka" [common knowledge]. At the conclusion of his discussion, the chief prosecutor requested that the Constitutional Court rule for closure of the CWP under articles 96/2 and 97 of the Political Parties Law. Article 96, paragraph 2, of the Political Parties Law reads:

"Political parties to be established may not declare themselves to be continuations of banned political parties or make any claim to that effect."

Article 97 of the law reads:

"Political parties may not exhibit any attitude, make any statement or engage in any behavior in opposition to the resolutions, bulletins and actions of the National Security Council or the 12 September 1980 action carried out at the nation's behest by the Turkish Armed Forces for the reasons recorded in the preamble to the Constitution."

Constitutional Court

Chief Prosecutor Firuz Cilingiroglu brought the closure suit against the CWP before the Constitutional Court on 6 April 1984 on charges that it "has stated and claimed to be the continuation of the banned Justice and Grand Turkey Parties, has engaged in extensive activities to cause adoption of this view in the public opinion and has adopted positions, statements and behavior in opposition to resolutions and actions of the National Security Council." The CWP then made its defense and, on 17 May 1984, presented its supplementary defense.

The chief prosecutor has presented to the Constitutional Court a 26-page basic opinion calling for closure of the CWP.

8349

CSO: 3554/251

DEN UYL DEFENDS LABOR PARTY'S ECONOMIC PROPOSALS

Amsterdam ELSEVIERS WEEKBLAD in Dutch 9 Jun 84 pp 8-10

[Report on interview with Joop den Uyl, leader of the PvdA parliamentary party and former prime minister, at the Binnenhof in the Hague, on 30 May 1984, by Nico van Grieken: "Our Plan Fits Nicely Together, Don't You Think?"]

[Text] More economic growth, more jobs, less unemployment and less public burden. The top officials in the Hague worry themselves silly. Where is the double bottom in Den Uyl's masterstroke? The iron social democrat chuckled and laughed. "Have you seen our plan? It fits nicely together, don't you think?" A sample of undaunted PvdA economics.

For a short while, Den Uyl (64 years old) exchanged his staccato and once in a while even somewhat agitated tone of voice for a somewhat more deliberate manner of speaking.

Was he telling a joke or a parable? The destructive reactions from the camp of the governing CDA/VVD [Christian Democratic Appeal/ People's Party for Freedom and Democracy] coalition to the beautiful marks given his Labor Party by the Central Planning Office [CPB], actually moved the experienced political hand to make a pathological comparison.

"It is," he began with his head tilted upwards, his eyes tightly closed with false trust, as always a sign of a good dig, "it is as with someone who broke his leg and now has trouble learning to walk again. The surgeon who is treating him says: 'If you persist and exercise step by step, you will be able to run like a rabbit again in 6 months.' And then the physiotherapist comes by. 'Certainly,' he says, 'you'll be walking 6 months from now, but it is a great deal of nonsense. If you adopt a different therapy and you let yourself be treated for what is wrong with you, then you'll be running like a rabbit in 6 weeks.' 'Yes,' says the patient, 'but do you have a doctor's degree? No, I'm not taking any risks; I am staying with my surgeon.' And thus the patient continues to run around for half a year. He needlessly suffers pain for a long period of time and needlessly wears a brace for a long time. The Dutch economy is in precisely the same situation."

The point of course was not very surprising and was immediately obvious, but to be honest, Den Uyl's story was reasonable in all regards. The surgeon, for

example, is obviously the Lubbers administration which knows nothing of economic healing. But it is true, an administration is more powerful and more substantial than a Labor Party, which plays the smart but weaker physiotherapist.

And because about 10 years ago, the patient, tired, ill, uncertain and slowly hobbling along, had already had this same physiotherapist at his bedside, who produced a treatment which later on proved to have had all the characteristics of an overpaid gentle healer who still costs him, the Netherlands that is, handfulls of money, our bungler no longer needs such a masseur. So a simple broken leg could lead to a complicated loss of confidence and to a slow, old fashioned but adequate surgeon.

J.M. den Uyl. A letter perfect iron social democrat. A member of parliament through and through and an average joke teller. Ten years ago he was prime minister of an administration which could certainly not be accused of sitting still.

Speeches

Three martial speeches marked the first years of his administration. He distributed the first blows in Nijmegen, on 1 October 1974. "My socialism is unquestionably on strained terms with free enterprise production, even though it is definitely not interested in exchanging that mode of production for state socialistic centralism."

The country was too small. And even though later on Den Uyl also gave an Amsterdam speech and a Rotterdam speech, in which he was much more subtle ("I am a reformist" and "I do not go along with the anti-industrialist fashion; industry is necessary"), he and his companions had picked up a lable which today still puts people off.

The members of the Den Uyl administration were known as spenders, spenders of the pool of natural gas funds, stimulators, Keynesians, stimulators of government deficits, stranglers of the economy, friends of money gulping social benefit recipients and state maniacs.

For the powerful surgeon, the parliamentary party leader of the Labor Party in the Second Chamber can no longer do any good, even if that healer's name is Lubbers: former minister of economic affairs who during the Den Uyl administration defended the phenomenon of an oriented market economy and selective growth with fire and sword and who only later on, by the end of 1982 as a matter of fact, actually shifted to a hard and energetic retrenchment policy.

Nothing like that with Joop den Uyl. He has not denied for one moment his rock-like faith in the interaction of the market economy and a stimulating government apparatus, not even now when the Netherlands is still knocked clean out of the perpendicular in socio-economic terms, with relations which have gone astray between the public and the private sector.

The economist from Buitenveldert, the died in the wool politician of small margins, put the Central Planning Office to work on some figures. And yes: unemployment would drop by 245,000 compared to the government policy, providing of course that the Dutch economy does what Den Uyl wants it to.

Another nice thing: public taxation would drop by 5.4 percent in the PvdA [Labor Party] plan as against 4.5 percent in the government proposals. In addition, the proportion of earned income (that part of the national income used for wages) would drop nearly 2 percent more and profits would rise. The financing deficit alone would go down less quickly than would be the case with the government policy, which is bad for the Dutch national debt with its far-reaching interest burden and repayment liabilities.

Sober

The presentation of the economic miracle plan took place last week Tuesday. Discreetly, nearly soberly and especially not too triumphantly, Den Uyl and his financial-economic expert Thijs Woltgens developed the shadow policy. On the previous day it had already been derisively laughed away by the minister of finance. "To govern according to the Labor Party would be disastrous for the economic policy," said Dr Onno Ruding at an electoral meeting of the CDA in Heerjansdam. Vice Prime Minister Van Aardenne followed the same line in his criticism.

But one day after the CPB calculations of the Labor Party were made public many top officials were racking their brains. How could it be? Where was the trick? Is the PvdA alternative really put together that smartly? There were sighs and moans. For the time being they came to the common conclusion that the PvdA policy would mean a return to an economic policy which had led the country to the edge of the precipice.

That afternoon of 30 May, in his office at the Binnenhof in the Hague, Den Uyl could barely contain his amusement: "Have you seen our plan? It fits nicely together, don't you think?" He laughed and chuckled. "It fits. All of it fits."

Question: It is nicely done.

Joop den Uyl: Yes... I found Van Aardenne's reaction weak and Ruding's a bit silly, but really...

Policy according to Den Uyl. A conversation as in the past. As if the tanned, well worn leader of the largest opposition party would rather take over the leadership of the administration than leave politics. He is not to be broken. And at vital moments he can be uncommonly accomodating and understanding, especially with regard to the dangerous area of the reduction of working hours and threatening wage demands.

Den Uyl in the role of a physiotherapist. Two things: economic developments do not always take place according to a mathematical model and the PvdA alternative is unfortunately somewhat theoretical: for the time being, Den Uyl's

party -- however great it may be in opinion polls -- does not have a chance of getting government responsibility. As a matter of fact, after the cruise missiles the Lubbers administration will once again be able to begin with the real work. And that is economic recovery according to Wagner. It remains fascinating.

Nonsense

Question: Why a government plan?

Den Uyl: Last spring there was criticism of our alternative. It was nice for 1984, but how would it turn out for the following years? CDA parliamentary party leader De Vries said that the Netherlands then would have to pay for our plan. Unemployment would rise, the financing deficit would go up. We had to wait half a year before the CPB had developed a medium term variant. Now it appears that it was real nonsense on the part of Mr De Vries. Opposition to our economic alternative had been based on weak ground. Even after a few years our policy would lead to much more favorable results.

Question: And you presented everything? You didn't omit anything?

Den Uyl: What exactly do you mean?

Question: For example, I cannot find a picture of the income relationships.

Den Uyl: That is true. But this is not the last word about the socio-economic policy to be conducted. What we have now is the development of a number of macro-economic variants, such as fewer retrenchments, more redistribution, more stimulation of the market sector by the government. "What emerges when you add all those things?" was the question. Hence, it doesn't mean that this is our policy, because in translating it into policy you would obviously run into a whole bunch of bottlenecks.

The implementation is very important. Fewer retrenchments, yes. But where do you and where don't you? On balance we also retrench in the area of government personnel salaries, social benefit payments and the national budget, and later on we don't retrench any less than the administration because we are left with so many fewer social benefit payments due to a quarter of a million drop in the number of unemployed. That represents 6 billion guilders in terms of benefit payment funds.

Stimulation of the market sector. Where and how? The tax reductions in the business world would be partly rescinded. That is a heavy blow, says Mr De Vries. In one flick, the confidence and expectations of the business world would be wrecked. Nonsense. We will not touch the WIR [Investment Account Bill] or the WIR rates, at least not in the foreseeable future. On the contrary, we are raising the subsidies for a number of directed activities. And in this regard we are thinking completely in terms of the interest areas of the Wagner Committee.

Behind

We feel that things are not going well with our technology area. The Industrial Projects Company is being created only slowly. It has never yet requested additional credits. Dozens of projects are under consideration, but no, you cannot say that the Netherlands is in the process of fighting its way into the large international competitive struggle to acquire for itself an adequate place in data processing or in bio-technology. It is going slowly and we are running very far behind. I say: strengthen that sector as well as the government machine that is oriented toward it.

We have Volvo, but the Dutch automobile industry could have been so much more with imports of 10 billion guilders in cars. The future lies with lighter, safer and more economical cars. I would still like to set aside half a billion guilders for research and development of such a Dutch car. Why is the Netherlands so ignorant on this point? Why aren't we at home there? Well, this is a private opinion on my part; a great deal can be said to refute it, but I am saying it anyway.

The Eastern Scheldt. A traversable dam. A flood dam. When the decision to this effect was made in the Den Uyl administration, the fact that in doing so we would develop a technology which we can use played a very great role. That dam has been completed now for 7 or 8 billion guilders, not much more than had been estimated at the time. How do we capitalize on that know-how now? How do we turn it into a product for export? You have to put money in it. That absolutely does not happen enough.

I will expand here for a moment to give an idea of how we would select in terms of our stimulation of the market sector. And yes, we are also in favor of expansion of government investments. We say: build an additional 35,000 inexpensive homes per year, do more in terms of urban renewal and build 10,000 housing units. Or vary and make it 15,000 units. Small households are greatly on the upswing. But the trouble is that every minister, every department, every office is chained. The only thing the administration does is to trim, retrench and cut away and that requires little imagination. But if you want to add something new to the policy, then you have to start worrying. The administration works with extraordinarily little inspiration. The share of government investments in the national income has been virtually cut in two compared with 10 years ago. And now we are going to jack it up a bit, carefully. (He chuckled.) Certainly, carefully. Dynamism has gone in the Netherlands. And that is true also for the government. There are no longer any new projects.

Question: Is that so serious? After all, the economy is getting an opportunity to prove what it is worth. And what is that reduction in working hours going to provide?

Den Uyl: Of course, I think that is serious. Under pressure of the retrenchments, the government has become a flattened machine. I experienced a time when 10, 20 projects were vying for priority. In a manner of speaking, they wanted to go to the moon. That is not possible and not necessary either;

there is enough to be done close to home, because what do you think of environmental investments, soil purification and the cleaning up of poison belts? I do not rank Minister Winsemius low. He is one of the most pleasant ministers in this administration. He works rather quietly; I think that is already a great advantage. But he also works with few resources. An acceleration could be effected here and there.

Then there is the reduction in working hours. In my opinion the administration is failing completely in this regard. It was fortunate in that the employers and the workers came to an agreement in November 1982, but you can hardly say that it added anything. There is no direction, no path. I keep my fingers crossed that in the current climate the wage hikes will not flush away the whole reduction of working hours. Our alternative is also an attempt to save the reduction of working hours, hence to achieve a substantial reduction in unemployment.

The problems are great. How do you implement a reduction in working hours with low inflation and when the price compensation is inadequate? A reduction of gross, of nominal wages meets with enormous actual and psychological objections. It is a vulnerable spot in our plan. It is possible to get out of it but it isn't easy.

Question: Strange. You are dissatisfied with the policy of the administration while there really is economic recovery. The CPB, which made the calculations for your suggestions, also said in the Central Economic Plan that the government policy should be continued. Hence the policy of this government is not all that bad.

Den Uyl: (changing position with a jerk) Why do I think it is stupid when Ruding, Van Aardenne and, in a much smarter and more modest way, also Lubbers beat their chest about things going so well thanks to the government policy? There is a recovery of the economy. It's about time after 4 years of recession. But in the Netherlands the recovery should take place much more quickly, because there is a substantial under-capacity here and enormous unemployment. We barely achieve 2 percent economic growth. Shameful really, shameful. Given the fact that we have many more unemployed, our growth should be twice that of the other countries in the EC, where unemployment is much lower.

Stupid

Question: Aren't you somewhat impatient?

Den Uyl: I am absolutely not impatient. The need is particularly great here. Average unemployment in the European Community is 11 percent; in our country it is 18 percent. What is the reason for that? Because in some respects the Netherlands conducts a stupid policy. Domestic expenditures are being pushed down, consumption is dropping -- not much, half a percentage point, but it is dropping --, whereas the volume of consumption could go up by two or more percentage points.

What are we losing by that? One percent growth is 4 billion guilders. That means more homes, more resources, less government deficit, higher returns in

taxes and contributions. But no, this administration lets us run behind the rest of Europe. Our exports are increasing; nice, but we also moderated wages to produce that effect. The crumbling away of jobs has nearly come to a stop; great, but we did experience an enormously fast breakdown.

The burdens of economic recovery are being shifted to the people with the lowest incomes. Benefit payments are being reduced by 2.5 percent this year. The people who work contribute hardly anything above the minimum. That widens the contrasts. That is the way it is experienced. This is why the windows at the Binnenhof are being smashed. Mad, but it does happen. The people are embittered. Special categories, such as the disabled, are seriously affected. For 4 years already they have been under fire. It drives the people crazy. There are some among them who have had to suffer an income reduction these years of 15 to 20 percent. The administration ignores it. That creates resentment. I consider that extremely serious.

Things are not well with the Netherlands. Of course, anything is better than further stagnation and loss of economic growth, but the policy is not good. The Netherlands had a sound infrastructure with good roads. What do you see now? Holes and pot holes. Look at the cities. No money left to maintain the public gardens, an enormous lag in the maintenance of houses. You can see the decay. And it is not only the decay of the concrete. With 850,000 unemployed you should be able to give this country a fresh coat of paint. Not cover it with varnish, but make it really durable. And this would be possible with a somewhat more daring, a somewhat more expansive economic policy.

Question: The economy is definitely not stagnating. Why would you stimulate such a positive development even more?

Den Uyl: (agitated) Yes, yes, yes. Because the economy is not recovering enough and not in the right manner. All emphasis is placed on exports. Undoubtedly some of that will trickle through, I am quite willing to believe that.

Marginal

Question: According to figures provided by the Central Bureau for Statistics investments in industry are already attractive now.

Den Uyl: But the positive effect on employment is marginal. With its offer of 50,000 to 70,000 individuals per year on the labor market, the Netherlands needs a policy which gives priority to labor intensive industries and services. This redistribution of labor is not taking place. People see profits rise in the export industries, workers are going to make wage demands and here and there employers are once again waving the money bag around. Hence, why stimulate when the economy is attractive? Because the economy is attracting one-sidedly with an inadequate impact on employment.

Question: It looks like a repetition of the seventies. There you also had Den Uyl again. Stimulate and eat up what you must still earn.

Den Uyl: Especially people like Ruding went that way.

Question: Isn't there a core of truth in it? Isn't it once again the centralist approach of a government which wants to regulate things according to Den Uyl?

Den Uyl: Not centralist at all. That is a great deal of nonsense. CDA types like Ruding have apparently forgotten that during those years the Christian democrats were always in the government.

Question: It is indeed one-sided to accuse only your party of having taken that wrong line of march.

Den Uyl: Yes, but let it be. Look, the proposition that the bases of our economic durability in the seventies were undermined is not based on anything. The opposite is true. By the end of 1977 the Den Uyl I administration came to an end. For 5 years the Netherlands had been able to stabilize unemployment at the level of 200,000 in spite of a strong growth in the working population. Then came the Van Agt I administration. The VVD was added. And then you see that unemployment soared upward. And that the financing deficit soared upward. (Made an angry gesture with the flat of his right hand directed toward the ceiling.)

Do you remember? The Van Agt I administration: income had to be guaranteed at twice the modal income. Wages could easily go up, they thought. I have always said that especially in our system with its linkages it is essential that wages be moderated both as a break on government expenditures and to maintain the position of profitability of the business world.

Now, one more comment beyond that. The policy conducted during the period of the Den Uyl administration was not without mistakes. Total public expenditures certainly did go up during those years. On balance I do believe that, given the specific nature of the Dutch economy and the export package, we should not have left any room in 1974-75 for growth in consumption. We might have done better to direct our expansion more toward investments. That would have been better.

Question: And now, from a centralist point of view, you once again feel that the economy must be helped. That the employers cannot do it by themselves.

Den Uyl: Oh yes, centralism. The employers themselves are telling us that there should be more opportunities and possibilities. In spite of the discipline which the VNO [Federation of Netherlands Enterprises] and the NCW [Dutch Christian Employers Union] are trying to achieve with their plea for further tax reductions. Employers must make it true at the micro-economic level. Without their inventiveness and initiative no administration will start anything.

Question: And thus you should be very careful with employers?

Den Uyl: Certainly. But what is our plan? That is not a centralist make-me-live machine. It does however provide the employers with greater profits and better returns.

Question: Would you figure out how much your jobs cost?

Den Uyl: I saw that silly joke of Van Aardenne. He said that if you subtract everything, then you come down to half a million guilders per job. That simply does not fit at all, because...

Question: ... your figures are lower.

Den Uyl: Yes. I say this: there will be more employment, 250,000 jobs. Costs: 4 billion guilders more in financing deficit. But also reduction of the public burden by 4 billion guilders. Hence, the extra costs are nil. No, because in addition there will be extra growth of 1 to 1.5 percent. Thus those jobs provide the national economy with a small extra, specifically 4 billion guilders of growth in 1987.

Question: On balance you would end up with only 45,000 jobs.

Den Uyl: No, no. (A cigar in the left corner of his mouth, he quickly grabbed for the back of his cigar box.) That is what Van Aardenne says. But those calculations are rubbish. I end up with 250,000 jobs. Van Aardenne subtracts 65,000 jobs for youth and 135,000 jobs which are the result of the reduction in working hours. I say: perhaps, if the plans of the industrial employers are carried out, we may even end up with 90,000 to 110,000 jobs for youth. That would then mean not 250,000 but 300,000 jobs.

Effort

Question: But your reduction of working hours is a vulnerable point because it means extra income reductions.

Den Uyl: No, that is not true. The charter agreement of November 1982 was tacitly based on the assumption that in 1984 and 1985 a 5 percent reduction in working hours would be achieved. We have now reached the three-quarter point in that period and 2.6 percent has been achieved in the market sector and in the government, shamefully enough, 1.7 percent. Hence we are still far below those 5 percent. But according to plan, on paper 10 percent should be achieved by 1987. By then we should have ended up with a 35 hour work week.

Hence, this requires an extra effort. This is made possible now precisely because we are allowing the economy to grow more. Therefore it is also childish on Van Aardenne's part to say that in our plan a job costs half a million guilders. Absolute nonsense. The CPB figures that the costs are overcompensated by the returns. What is also vital is that the CPB ends up with a job increase of 245,000.

Question: Even more vital is whether you succeed in getting more income reduction for a reduction in working hours, even if the reoccupation rate is only 25 percent according to the CPB.

Den Uyl: It simply means that there is no room for wage increases in the coming years.

Question: And how do the union federations, the FNV [Netherlands Trade Unions Federation] and the CNV [National Federation of Christian Workers in the Netherlands], react to your plan?

Den Uyl: Extremely positively. But both have large question marks about the nominal wage decrease. Perhaps we should think of an alternative.

Question: Like what?

Den Uyl: A reduction of employers contributions which would make a reduction in nominal wages unnecessary. Then the employers would need less tax reduction and less compensation for purchasing power. In concrete terms: you maintain the nominal wages, you raise the price of gas by 1, 2 or 3 cents and from the revenue you finance the reduction of employers' contributions. And the circle is complete.

Question: Unbelievably stupid on the part of the Lubbers administration not to have thought of that at all, don't you think?

Den Uyl: Not stupid, but rather blind. The administration is ideologically rigid, is so entrenched in a certain way of thinking that they are scared stiff of being pushed out. That ideology... Blinders, right. Blinders. When you hear Mr De Vries: "No, we don't want to hear that it is possible to do better; we hang on to therapy number 6ab. After all, it is not for nothing that we have been so brave as to always cut and trim. Then there surely isn't anybody who will come and tell us that we have suffered so much pain for nothing?" It is a completely conditioned reaction. Predictable.

Of course, I am very attached to a favorable reception of our plan by the employers. But they also know that we are in favor of smaller income differences. Therefore they will probably not start running all that hard and they will be distrustful.

Confidence

Question: Your policy will dampen the willingness to make investments.

Den Uyl: Yes, well, not dampen them to the point that they will immediately cancel their investment decisions. But I feel that the Labor Party should demand of itself a policy that will win the confidence of the employers. We are already doing that. We talk with employers every week. A month ago we were at De Baak, we went to Aku, to Unilever, we talked with the people at Philips. We are constantly talking with...

Adviser Laurens Slot cautiously but firmly interrupted Den Uyl's argument: "At Akzo."

Den Uyl, disturbed: "What?"

Slot: "Talked with Akzo."

Den Uyl: "Yes, what did I say then?"

Slot: "Aku. It is Akzo."

Den Uyl: "Oh yes, Akzo. Well yes, old fashioned people talk about Aku."

Question: And I didn't interrupt either.

Den Uyl: Yes, yes, hence that is the only sensitive point. And besides, we are stuck with the same question you are: how do you keep people from making wage demands or from paying higher wages when profits are increasing? Is it realistic to think that with rising profits, which would occur with our alternative, and with the continuing drop in the proportion of earned income, employers will not pay out higher wages and workers will not accept more money?

Question: How do you counteract that?

Den Uyl: By showing that our policy would result in a substantial drop in unemployment. People were willing to go along with income reductions, but now there is the feeling that they have only made payments into the boss' purse. The muttering is rising. Wage actions gain ground. You cannot hold those back unless you can prove that employment is expanding.

Question: You think that would be attractive?

Den Uyl: It did happen in numerous enterprises.

Question: Yes, but at that time thoses enterprises were on a steep decline. Now they are climbing back out of the valley.

Den Uyl: And that is why we should do something quickly too. If you let it go now, there will be wage actions. I have always said that too: as soon as things are better economically this administration will be in trouble. That is clear. The administration has run out of breath. It no longer has a socio-economic policy. This is why this PvdA proposal comes at a good time. It is not a panacea for all ills but -- there are enormous problems attached to it -- but it is the right way to go.

Question: You call it the right way when you remain stuck with a growing national debt?

Den Uyl: The administration is also fighting that. But we would create more growth. And to the extent that this growth is greater we can reduce the national debt. That has to happen.

Question: Compared with the government scenario you would end up with a higher financing deficit.

Den Uyl: But with a further reduction of the public burden. It is not all that difficult to make exchanges. The administration has done it. In January the deficit did not go down at all, but the public burden did. At that time

the administration asked the CPB to figure out how it would come out if the contributions were to drop less. It turned out that the financing deficit would go down 1 to 2 percent. We can also talk about that. (He laughed.)

Question: What has a more negative effect in the long run on employment: a high deficit with corresponding high national debt, interest rates and repayment obligations or...

Den Uyl: Yes, yes, yes. I see your question. I am going to turn it around. What is best in the long term for the reduction of the financing deficit? A drop in unemployment and a strengthening of economic growth or low economic growth and high unemployment? With more growth and less unemployment you strengthen the structure of the economy and you are better able to reduce the deficit. With our policy, by 1990 we would have a financing deficit of 5 to 6 percent. Then we will have virtually returned to a normal rate. This administration's policy keeps unemployment too high and economic growth too low. That is wrong politics.

Question: To the extent that by 1986 your economic policy may already have gone wrong if the international economic growth has been exhausted and the Netherlands is stuck with an unnecessarily high financing deficit.

Den Uyl: Simple. Then you have to switch. Then you exchange public burden for the financing deficit. Then the circle is complete again.

Question: Last question then. Let us assume that you become prime minister of a future administration and the reduction in working hours does not succeed. Would you impose that extra reduction in working hours then?

Den Uyl: It seems to me that Minister of Economic Affairs and Employment De Koning has said on occasion that he has thought of legal action. I believe that you don't achieve much with coercive measures. Laws are partially the result of social processes, but they can also promote social processes. I think that employers and workers should voluntarily reach an agreement about a review or adjustment of labor legislation. But such a review could also have a stimulating influence.

Question: To steer somewhat.

Den Uyl: Not to steer, to awaken. It can stimulate. I like that word better.

He chuckled, gave the table a last slap and hurried off.

8463

CSO: 3614/98

EFFECTS OF EEC MEMBERSHIP ON OIL MARKET

Lisbon EXPRESSO in Portuguese 2 Jun 84 p 18

[Text] Portugal's membership in the EEC is going to revolutionize a market control system that has been operating for about 50 years. With some slight changes, the government-fixed market quotas today are an extension of the system created in 1938 by order of the Office of the President of the Council of Ministers, signed by Salazar himself, for the purpose of guaranteeing a market for SACOR, which at the time was building the country's first refinery.

Over the years, government orders established--sometimes retroactively!--the so-called import authorizations for companies other than SACOR or SONAP (at present, other than Petrogal), which were general (and exceptional) authorizations. The first generally fixed the amount of products multinational companies could sell on the domestic market. The second fixed the maximum market quota with which companies must comply for each product.

On this basis, any multinational granted a general authorization knew how much of each product it could sell, at the respective profit margin. For sales over the quota, up to the limit of the exceptional authorization, the multinational in question was required to hand over 50 percent of its margin to Petrogal. And, in the event it exceeded the exceptional authorization, the result was simple: either a heavy fine or 100 percent of the margin had to be paid directly into the coffers of the national firm.

With the market for gasoline, kerosene, gas oil and fuel oil regulated, life was easy for national firms and restricted for the multinationals. Thus membership in the EEC is going to change everything. If membership is confirmed on 1 January 1986, this means that by the beginning of 1993, the market for these products must be completely liberalized. During the 7 year period, the movement towards total liberalization will be gradual. But even so, we cannot talk about complete liberalization....

In a word, according to this assumption, in 1986, the multinationals will have 40 percent of the market. Within this quota, they may freely compete, provided they do not interfere with Petrogal's right to up to 60 percent of the market. In subsequent years, Petrogal's market share will progressively diminish down to zero percent. At that time, any company may try to sell 100 percent of what is consumed. This is free competition "made in the EEC."

Arguing the need to ensure supplies and copying the French model, the Portuguese government negotiated--in discussions on the customs union--a series of safeguards which would prevent any private company from selling oil products unreasonably. Thus, even after 1993, for a firm to be authorized to sell oil products in Portugal, it is going to have to comply with a series of requirements protecting small companies.

Among the requirements specified, at the head of the list is the capacity to hold stocks for a few months. This represents an investment in both facilities and in money, and means that millions of escudos will be held in check, which should discourage the "curious" from attempting these transactions. Besides the stocks, 3-year supply plans will be required. the companies will have to indicate exactly where, how and in what amount they can supply the necessary crude oil. This is something that only the large multinationals are in a position to guarantee. And the list goes on....

It is true that the nature of the competition will be different after 1993, but it would be surprising if new companies (even among the oil giants) were to join the five major ones operating in the country today. A small market that requires large investments to enter, Portugal will probably continue to be the kingdom of five companies, with each one trying to obtain a larger slice of the market.

9805

CSO: 3542/52

TAX CHEATING, LOOPHOLES DEPLORED

Lisbon O JORNAL in Portuguese 15 Jun 84 p 2

Based on the tax standards in force, the Portuguese state should have taken in 660 million contos in taxes in 1982, but actually only 540 million found their way into the public coffers, while 120 million were lost through tax fraud and evasion. The person who says so, mincing no words, is Medina Carreira, considered by many to be the foremost Portuguese expert on the subject, which in fact earned him the post of Minister of Finance in the first government formed under the Constitution of 1976.

Moreover, as if the gap of 120 million escudos were not enough, another 25 million are 'legally' lost because of exemptions and pointless tax breaks, which all add up to the unbelievable loss of income taxes from more than 40 percent of the national income. So claims the same expert, criticizing the system itself, which no one up to now seems to have been able to reform in any systematic and adequate fashion, not even Medina Carreira himself, obviously.

The situation has gotten so terrible, the ex-minister goes on to say, that 'those who don't cheat are reaching the threshold of the unbearable,' victims of a level of taxation that makes Portugal a real 'champion' in the OECD. Today's Portuguese tax system is a crazy quilt, out of adjustment and conducive to the most blatant injustice and cheating, when it ought rather to be contributing to the promotion of social justice. 'It doesn't get at the very rich, as it ought' and 'conceived as a tax on earnings, it penalizes capital,' which even so manages to escape when aimed at. What we are thus faced with is an 'inequitable fiction.' For example, someone who earned 50 contos in 1963 paid nine percent in taxes, but in 1982 the same earnings in real terms were socked with 23 percent. Another example: in 1963, from an annual income of 400 contos the tax collector took 18 percent, whereas in 1982 the equivalent income was 'punished' with 58 percent.

What all this means is that the person who doesn't pay ends up being the big beneficiary. Someone who carries on professional activities that allow him to hide a substantial part of his income still gets away, and the real sacrificial victims, as always, are basically those who work for someone else or who are involved in professional activities that don't let them hide from the tax collector.

12430

CSO: 3542/67

CONSUMER PRICES DROP, INFLATION SETS RECORD

Lisbon EXPRESSO in Portuguese 16 Jun 84 p 16

The consumer price index for the month of May registered one of its sharpest drops in recent years. At the same time, inflation rose to one of the highest figures in the last 30 years, 29.3%.

According to figures released by the INE [National Institute of Statistics], the cost of living for the 'average Portuguese' decreased about 1% (0.9%) during the last month in relation to April.

Among the factors that explain this favorable showing, given its weight in the Portuguese family budget, the most outstanding is the drop in the price of potatoes, which fell by almost half, from more than 75 escudos per kilo in April to less than 36 escudos per kilo in May. According to the weighting given by the INE to the consumption of potatoes in Portuguese family expenses, this drop alleviated Portuguese [consumer] budgets by about 1%. Likewise contributing [to this decline], although much less intensely, were the figures for vegetables, whose price dropped 26.5%, eggs, down 7.2%, and alcoholic beverages, down 1%, making them more affordable.

These effects, together with others of lesser impact, were more than sufficient to offset the rises that took place with various other goods.

The relatively pronounced drop in prices that occurred in May is rather uncommon. However, if we discount the 'potato effect,' prices are then almost stable, which is a fairly frequent phenomenon for this season of the year. In May of 1983, prices were off 0.2%, in June of 1982 they were down 0.1%, in May 1981 they rose only 0.6%, and in May 1980 they were back down 0.1%. This is thus an occurrence based on price movements of some farm products and eggs, as noted practically every year in late spring, early summer.

In apparently contradictory fashion, what is habitually designated as the inflation rate reached a record figure: 29.3%. Last December it was around 25.5%, in the following month it went to 25.9%, and in February the rate rose almost a point (26.7%), reaching 28.7% in April.

The spread between the prices average for the last twelve months compared with the prices average for the twelve preceding months, known as the rate of inflation evolution, has not stopped climbing. Which is understandable if you bear in mind the liberalization policy that this government has been following.

12430

CSO: 3542/67

DECLINE OF MERCHANT FLEET REGRETTED

Lisbon O DIABO in Portuguese 19 Jun 84 p 11

[Excerpts] What's Left of Our Merchant Marine is Sinking
The Figures of the Disaster: Of the 218 ships that made up
the national fleet in 1973, 80 remain.

Land of sailors who 'gave new' worlds to the world,' Portugal
is in danger of becoming one of the few countries with a
seacoast and no ships. All this because, even though our
merchant fleet is a sector of vital economic importance and
independence for our own country, successive governments
have done nothing to revitalize and expand it, excusing
their ineffectiveness on the basis of the crisis that the
international shipping market is going through.

According to official figures published in the March issue of REVISTA DA
MARINHA the national fleet has 218 ships in service in January 1973; by the
beginning of this year that figure had dropped significantly, to 80, a fact
which places the Portuguese fleet in 44th place among maritime countries, a
very modest position, even considering our condition as one of the 'less de-
veloped' countries of Europe.

It should be pointed out that our shipping needs are so great that Portugal,
according to the statistics, has spent around 340 million contos in foreign
currency to charter foreign vessels.

However, the so-called Sea of Straw in the Tagus River is cluttered with ships,
some obsolete, others still serviceable if they were to be put back in opera-
tion. The same condition exists at the Rocha do Conde de Obidos dock. Par-
adoxically, almost everything that comes to us from abroad is carried in
foreign-flag vessels. It is said that the government doesn't have the money
for big investments; however, it beggars belief that 50 million contos (paid
in dollars) show up annually to pay for services that the Portuguese surely
know how to perform as well as foreigners.

At this very moment, the Portuguese Maritime Transport Company (CTM) has
hundreds of men awaiting vessels to sign aboard, while at the same time it
has contracted for the services of 20 foreign vessels. It should be noted

that all these men are going to get paid without producing anything. The relevant official entities did not even have the foresight to charter the foreign vessels on a 'bare boat' basis, staffing them with Portuguese crews. They went so far as to charter the foreign vessels complete with crews.

Black Future

Future prospects offer little encouragement. Government measures for support and development have been successively put off, rendering even more acute the already serious economic situation of the public sector but not getting the private shipowners, for their part, worked up enough to undertake action.

Everything indicates that some of the 12 ships that the CTM has tied up may well be scrapped this year while the government takes its time about giving its guarantee to construction loans for new ships. In that connection, according to REVISTA DA MARINHA three bulk cargo carriers of 38,300 tons are on order at the Setenave [yard] (project numbers S-107, S-108, and S-109), originally ordered for the former Navis and later transferred to the Nacional, with the merger of the former into the latter. The same publication goes on to say that these projects, begun in 1982, are far behind, awaiting a government decision on the financing that might make it possible to finish these ships, which for now have no scheduled delivery time.

12430

CSO: 3542/67

BRIEFS

LOSSES IN PUBLIC ENTERPRISES--The 51 public enterprises in Portugal recorded overall losses of about 35 million contos in 1982, according to an official report obtained by the Portuguese New Agency. The enterprise with the largest loss was the National Petrochemical Company (CNP), with losses greater than 7 million contos. As a whole, industry showed a negative balance of about 20 million contos, while the transportation sector's deficit amounted to about 15 million. Considerably less were the losses in agricultural and fishing (367,000), trade and tourism (221,000) and in unspecified sectors (420,000). For the mass media, the deficit was of the order of 548,000 contos. According to the report quoted by the news agency, the only sectors that showed profits overall were energy (969,000 contos) and communications (9,600 contos). Out of the 51 public enterprises, only 20 were in the black. The best results were obtained by Petrogal--Portuguese Petroleum Company, which showed a positive balance of 830,000 contos. [Excerpts] [Lisbon DIARIO DE NOTICIAS in Portuguese 4 Jun 84 p 3] 9805

SETENAVE WINS BRITISH CONTRACT--SETENAVE has just won an international competition to build a ship for an English ship operator, representing the firm's first order for the British market. The contract to supply the 10,000 dead-weight ton ship was signed in May. The ship is expected to be delivered during the first quarter of 1985, and the contract includes an option for a second ship of the same design. According to the firm's directors, the order just obtained will lead to "a better-balanced work load in the shipbuilding sector," at a time when financing for three cargo ships which SETENAVE is building for the national fleet is about to be released. [Text] [Lisbon EXPRESSO in Portuguese 2 Jun 84 p 24] 9805

CSO: 3542/52

FIRST QUARTER UNEMPLOYMENT DATA; NEW COMPENSATION STEPS

Madrid YA in Spanish 21 Jun 84 p 20

[Text] The National Institute of Statistics yesterday released the results of the Workforce Survey [EPA] for the month of April. At that time, the workforce total was 13,168,900, of which 10,536,000 were employed and 2,632,900 were unemployed. From these results it can be inferred that the unemployed represent 19.99 percent of the total of the workforce. Therefore, according to this workforce survey, the unemployment figures at the end of April had been reduced by 111,800 people, a decrease of 4.1 percent with respect to the previous month.

This drop in the figures for the unemployed affects all sectors, particularly services, construction, industry, and agriculture; it happens even in the figures for those who are seeking their first job.

Unemployment Rate at 19.9 Percent

This decrease means that the unemployment rate is 19.9 percent of the total of the workforce, which amounts to 13,168,900 people.

The figures for the unemployed at the end of April had decreased to 2,632,900, as against 2,744,700 in the previous month. According to the Ministry of Economics and Finance, this means that the unemployment level reported in the EPA for the first quarter of the year, placed at 2,632,900, remained.

The EPA results for March indicated that there were 2,744,700 people unemployed for that month, that is, 20.64 percent of the workforce.

So far this year, the figures for the employed and unemployed gathered in the EPA carried out by the National Institute of Statistics were as follows:

	<u>Number of Unemployed</u>	<u>Unemployment Rate</u>
January	2,559,000	19.40 percent
February	2,595,000	19.80 percent
March	2,744,000	20.64 percent
April	2,632,900	19.90 percent

The number of employed people at the end of April, according to the EPA, was 10,536,000.

The data from the Institute of Statistics coincide in the trend with the latest figures released by the Ministry of Labor a few days ago, which indicated that in May the figures for the unemployed had decreased by 40,577 people.

New Steps To Extend Coverage to the Unemployed

The draft bill to protect the unemployed, which is presently being discussed in the courts, contains nine steps to extend coverage to the unemployed which will soon go into effect. They are as follows:

- 1) Extension of the length of the basic compensation period for 21 to 24 months. The scale which ties the period of employment to the length of basic compensation will be modified, so that the unemployed who have paid into the system between 42 and 48 months will have a right to 21 months of basic compensation, and those who have paid 48 months or more, to 24 months of basic compensation. This extension will affect the newly unemployed and those who were entitled to compensation on 1 January 1984.
- 2) Expiration feature will be eliminated. The expiration feature of the compensation will be eliminated from the previous registration requirement for the job seeker. This means that even if the effective registration period has been exceeded, the compensation rights will not expire.
- 3) Minimum compensation equivalent to minimum wage. The right to a minimum compensation equivalent to the minimum wage for professionals, which now applies to the unemployed with dependents, will be extended to all unemployed.
- 4) Maximum compensation will be modified. The maximum limit of the amount of compensation, which until now was 220 percent of the minimum wage, will be replaced by a variable scale according to the number of dependent children the beneficiary has.
- 5) Those unemployed because of a lawful separation will be entitled to compensation. Those workers who are unemployed because of a lawful firing will be entitled to draw compensation benefits, after a waiting period of 3 months.
- 6) Subsidy to new groups. Those unemployed who have no right to regular compensation because they have not met the minimum requirement of 6 months, have dependents, and do not have incomes equal to or greater than the minimum salary will be entitled to a supplementary compensation for the length of a period equivalent to the number of months worked, if they have paid into the system at least 3 months.
- 7) Subsidy for those 55 years old and over. A supplementary compensation for those 55 years old and over who have contributed the minimum required to obtain a retirement pension will be recognized, when that helps them to receive some kind of retirement benefit.

8) Subsidy period extended to 18 months. The present supplementary compensation period will be extended from 9 to 18 months.

9) Second chance to qualify. The new length of the supplementary compensation period will apply in the cases of those unemployed who have exhausted their compensation benefits and are still looking for a job by 1 November 1984, if they apply for it. This second chance would mean an extension of 9 months.

12501

CSO: 3548/278

CHANGED FIGURES ON NATURAL GAS, OIL RESERVES

The Hague ANP NEWS BULLETIN in English 29 Jun 84 p 3

[Text] The Hague, June 28--Expected reserves of Dutch natural gas totalled 2,080 billion cubic metres on January 1, 1984 compared to 2,117 billion on January 1, 1983, Economics Minister Gijs van Aardenne reported last night.

The minister's report to the second chamber added that the share of proven reserves within the total had risen during the same period to 1,940 billion cubic metres from 1,515 billion. The report, based on information from the Government Geological Service, said production of natural gas amounted to 75 billion cubic metres in 1983 against 71 billion cubic metres the year before, a rise of 5.6 percent.

Cumulative production of Dutch natural gas to January 1, 1984 was 1,164 billion cubic metres, the report said.

A conclusion which can be drawn from the figures is that total Dutch natural gas reserve estimates, although slightly lower, have become more reliable, the ministry said.

Expected reserves fell by only 37 billion cubic metres, which is slightly less than half the year's production of 75 billion.

Proven reserves went up as a result of a new statistical calculating method which allows setbacks in estimates for some fields to be partially offset by windfalls elsewhere.

Oil Estimates

The ministry said the approach had led to more optimistic expectations as to the proven volume of natural gas, justifying an upward valuation of 241 billion cubic metres.

The report puts the estimated reserves of Dutch oil at 78 million cubic metres on January 1, 1984, down from 87 million one year earlier. Van Aardenne said there had been a downward revision of oil reserves as a result of unfavourable results of several test drillings during 1983.

The share of proven reserves in the total estimate also fell to 30 million cubic metres on January 1, 1984 from 37 million cubic metres twelve months earlier.

Production of Dutch oil reached its highest level in 1983 at 2.8 million cubic metres, but no new deposits were discovered, the report noted.

CSO: 3600/43

FLEXIBILITY PROVISION APPROVED FOR ENERGY PLAN

Madrid ABC in Spanish 29 Jun 84 p 61

[Excerpts] Madrid--Yesterday, the plenary session of the Congress of Deputies accepted a proposed compromise resolution whereby an automatic revision clause is accepted for the National Energy Plan [PEN] in the event that certain conditions involving an increase in the demand for electricity are met. This was the last meeting of the Lower Chamber, thus ending its period of sessions until it reopens in September.

At first, the Popular Parliamentary Group had submitted a proposed resolution based on the government's desires. During the work done by the Commission on Industry, the minister of industry and energy, Carlos Solchaga, had requested that the opposition seek a "sophisticated formula" for establishing the revision clause. The response from the Popular Group was a mathematical calculation of the circumstances under which the revision of the PEN should be put into effect. After this, Solchaga requested a new text for the revision, this time a more literary than technical one. The Popular Group made a new draft, which it submitted as a proposed resolution. The Socialist Group, with a majority in the Congress, has not accepted the opposition's text, but has instead submitted a new proposal which retains the spirit of the one submitted by the largest opposition group and which enjoys the consensus of all groups in the Lower Chamber.

Concretely, after having been approved by a vote yesterday, the clause for automatic revision of the National Energy Plan is worded in the following terms:

"On an annual basis, the government will submit to the Congress a report containing an account of the fulfillment of the energy activity aimed at the accomplishment of the plan, for its evaluation by the Industry Commission of the Congress of Deputies."

In the first report, which will be sent to the Chamber during the first quarter of 1985, the government will establish a group of criteria that will make it possible to assess the changes in the energy demand in all its components, and to correlate this with the status of fulfillment of the goals of energy savings and conservation, and with the main economic scales, as well as achieving a more effective monitoring of the execution of the plan by the Chamber.

If there should result from this revision an increase in electrical consumption exceeding that anticipated in the PEN in 1983, of a significant size and during consecutive periods, it will be confirmed that this deviation is structural, and steps will be taken to plan the reactivation of powerplants that are at a standstill or to install other alternative facilities.

The decision will be made on the basis of the lowest costs of the supply, interpreting as costs those acknowledged by the administration for purposes of determining electrical rates, taking into account the updating of the investments made in accordance with the plan's general objectives.

After the voting had ended, and before the session adjourned, the minister of industry and energy, Carlos Solchaga, took the floor to underscore the effort for dialog that the government had expended on this project, particularly in this final proposed resolution, which has proven to be "satisfactory to everyone." In the opposition's view, the minister's position has been the most reasonable one, because in the event that he had not accepted the proposal, he would have ceased to be a valid spokesman, and would have lost credibility if he did not agree to the Chamber's control over an area that affects all Spaniards.

2909

CS0: 3548/287

FOCUS ON UNDERSEA EXPLORATION ENCOURAGED

Paris LES ECHOS in French 10 May 84 p 10

[Text] Maritime affairs and ocean-oriented activities took up a lot of time at yesterday's cabinet meeting. That is fitting for a sector which does 25 billion francs of business annually and employs about 500,000 people.

Among other things, Industry and Research Minister Laurent Fabius said that in the area of oil and natural gas technology a multiyear research and development program will be carried out from 1984 to 1988 in order to maintain the technological lead of French companies.

Outside the petroleum area, IFREMER (the French Research Institute for Maritime Exploitation, created from a merger of ISTPM [Scientific and Technical Institute for Ocean Fishing] and CNEXO [National Center for Exploitation of the Oceans], and in regard to which Guy Lengagne, secretary of state for maritime affairs, has introduced a bill concerning its missions and the status of its officials) is going to be carrying out the launching in 1985 of the SM-97 submarine able to dive to 6,000 meters and the development of the PLA-2 independent self-contained sampling apparatus, and it will be starting up some other projects, which are in the process of being defined, for deep-water diving.

Adjustment is absolutely going to have to take place in shipbuilding, which is due to benefit from greater financial efforts in the framework of another multiyear program, a 5-year program during which the state and the builders will enter into research contracts. The contracts are to focus on, among other things, the use of government-assisted construction to increase productivity in the shipbuilding industry, and the implementation of new technical processes enabling shipyards to do better quality work in the designing and building of ships embodying complex technologies.

Fisheries and aquaculture (a 20 billion-franc sector in which the trade deficit has reached 5 billion francs) will also have multiyear research programs established by IFREMER with industry experts. Among other things these programs will involve better estimation and management of resources, and modernization of the fishing fleet and its equipment.

From that perspective Guy Lengagne stated that ties with Canada will be strengthened and that marine fisheries cooperation with the Maghreb countries and the countries bordering on the Indian Ocean will be increased.

Furthermore, within the framework of the Ninth Plan, regional fisheries development programs with the overseas departments will be implemented. This will in the first place be for the purpose of developing the French economic zones but it will also be for extending science and technology among neighboring states in the Indian Ocean and the Caribbean.

For, while the sea provides resources directly which the French fishing industry must take better advantage of, it also offers high value-added outlets in the context of the transfer of technologies. And French industrialists in this sector have achieved advanced technological developments enabling them to become active in this regard and expand involvement in maritime-related activities for the good of our national economy.

9631

CSO: 3519/376

CONCERN OVER NEGLECT OF ANTARCTIC EXPLORATION, DEVELOPMENT

Paris LES ECHOS in French 29 May 84 p 17

[Article by Richard Sola: "France Is Neglecting the Southern Lands"]

[Text] "To abandon Antarctica would be unforgivable in the long term. We would lose 35 years of research. Let us not repeat the mistake of the Russians, who sold Alaska to the Americans for next to nothing."

This admonition on the part of the explorer Paul-Emile Victor conveys the uneasiness among scientific circles, which wonder whether France wants to maintain its presence in the Southern Lands and Antarctica--an uneasiness justified by the government's decision to reduce by 15 percent the budget, already a very modest one, for the French Southern and Antarctic Lands (TAAF).

Yet that region is becoming a focus of interest for many countries, large and small. Last December a UN General Assembly Political Committee resolution asked the UN secretary general to prepare "an exhaustive, factual and objective study regarding all aspects of Antarctica."

A few weeks ago it was learned that Japan is building a new scientific base, as is India, and that Beijing is to establish itself there in the near future as is Brazil. In this competition France is running the risk of losing the rights it has to lands that one of her own, the explorer Bouvet de Lozier, was the first to discover in 1739.

Rich in "Krill"

The South Pole took on increased importance after the work of the 1957-1958 International Geophysical Year (IGY), during which time several scientific research stations were established. The Antarctica Treaty signed in Washington on 1 December 1959 by 12 countries* came out of that international

*South Africa, Argentina, Australia, Belgium, Chile, the USA, France, Great Britain, Japan, Norway, New Zealand, and the USSR

cooperation. The treaty took effect on 23 June 1961; it applies to the entire area south of 60° south latitude and stipulates that territorial claims were to be frozen for 30 years and that the area was to be denuclearized and demilitarized.

All countries party to the treaty were satisfied with that working arrangement, which might have been able to last for ages if the Malaysian Government had not gone and played troublemaker at the UN General Assembly. Several countries, led by Malaysia and Singapore, wanted all the undeveloped resources of the earth to be considered as the property of all mankind. Moreover, this idea was adopted by the 7th summit of the Movement of Non-Aligned Nations in March 1983. In point of fact, the results of the 1981 FIBEX (First International Biomass Experiment) scientific campaign have shown that the area south of what is called the convergence zone** is very rich in "krill"--small shrimp.

Initial estimates led one to imagine that 100 to 150 million tons of krill could be fished annually, while the current catch does not exceed 65 million tons. In actual fact it would seem that the potential harvest could be 10 times greater. The data that the second FIBEX effort in 1984-1985 will yield will probably be more accurate.

An Ambivalent Policy

In February 1980 the parties to the treaty also signed a "convention for the protection of Antarctic marine flora and fauna" in order to regulate and rationalize fishing conditions. Fish and krill are not the only things of significance in the area, however. There are many people who believe in the real existence of "on-shore" oil, natural gas, coal, and strategic materials such as uranium, zinc, cobalt and chromium.

In this regard, France has a policy concerning the Southern Lands which one might describe as ambivalent. France has established three research bases in the Indian Ocean at Kerguelen, Crozet, and Saint-Paul Amsterdam. And a sizable scientific program in glaciology, meteorology and astronomy is being set up with the establishment of the new Dome C summer station.

But the economic counterpart to the above is much more modest, and one can boil it down to a paltry fishing effort off Kerguelen Island by the Sapmer company, which harvests gunnaris (ice fish) and crayfish off Amsterdam Island.

**The natural physical boundary where cold waters dip sharply below warmer waters. The boundary looks like moving zigzags between 50° and 60° south latitude.

Budgetary Rigor

Apart from the foregoing, there is the ship "La Marion du Fresne" which provides linkage between the French bases and has successfully carried out experimentation for the harvesting of [undersea] polymetallic nodules whose commercial exploitation is not yet profitable enough. Likewise, petroleum prospecting has come to a sudden end because of extraction conditions. So France seems to be well satisfied with the status quo situation concerning Antarctica and not to be very interested in marine exploitation.

Budgetary rigor is not irrelevant to France's attitude. Already up to now the TAAF budget has been very limited; for 1984 it amounts to 137.5 million francs and has already undergone dreadful cuts. The construction of a permanent track by the Paul-Emile Victor EPF [French Polar Expedition]-Missions (1982 estimates were 74 million francs), which have been going on for 3 years and would make it possible to nearly double research periods timewise and even, perhaps, to establish a permanent base at Dome C, may well be interrupted for lack of credits. Sixty percent of the budget for polar expeditions (24 million francs) is soaked up by their maritime links with France.

It is true that the costs of natural resource exploitation, which for the moment are very high, will have fallen to a considerable extent by 15 years from now when one takes new technologies into account. It is also true that the major powers such as the USA and Japan are not showing much anxious eagerness to develop Antarctica, realizing that they are going to have a technological monopoly in any event. On the other hand, the Third World countries want an international agreement to ensure them their "rights" before any moving in for the kill is triggered off and before they no longer have financial wherewithal, given their indebtedness situation.

Everyone is aware that they have to position themselves well as of today. Not for nothing do the Soviet Union and the USA have nine and four bases respectively. For next year Great Britain has decided to increase its budget by 85 percent and Australia to double its budget. The rights of one and all will be reviewed in the framework of the international conference in 1991 on the renegotiation of the Antarctica Treaty.

The new deal of the cards might be accomplished in accordance with the realities existing at that time. By not asserting its presence in Antarctica and not keeping up its scientific effort between now and that time, France might find its century-old gains in that area of the world jeopardized.

9631

CSO: 3519/376

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